Staff and Pensions Committee

Date: Monday 11 September 2023
Time: 2.00 pm
Venue: Committee Room 2, Shire Hall

Membership

Councillor Yousef Dahmash (Chair)
Councillor Bill Gifford (Vice-Chair)
Councillor Brian Hammersley
Councillor Christopher Kettle
Councillor Sarah Millar
Councillor Mandy Tromans

Items on the agenda:

9. Reports Containing Exempt or Confidential Information
To consider passing the following resolution:

'That members of the public be excluded from the meeting for the items mentioned below on the grounds that their presence would involve the disclosure of exempt information as defined in paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972.'

10. Orbit Heart of England Housing and Care Association Cessation and Exit of Warwickshire Pension Fund 223 - 236

11. Next Meeting
A special meeting of the Staff and Pensions Committee has been proposed on Wednesday 22 November 2023 at 2pm. Liaison with attendees is underway; provided there is agreement, the meeting date will be confirmed.

The Committee will also meet on Monday 11 December 2023 at 2pm.

Monica Fogarty
Chief Executive
Warwickshire County Council
Shire Hall, Warwick

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Disclosures of Pecuniary and Non-Pecuniary Interests
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A member attending a meeting where a matter arises in which they have a disclosable pecuniary interest must (unless they have a dispensation):

- Declare the interest if they have not already registered it
- Not participate in any discussion or vote
- Leave the meeting room until the matter has been dealt with
- Give written notice of any unregistered interest to the Monitoring Officer within 28 days of the meeting

Non-pecuniary interests relevant to the agenda should be declared at the commencement of the meeting.

The public reports referred to are available on the Warwickshire Web
https://democracy.warwickshire.gov.uk/uuCoverPage.aspx?bcr=1

COVID-19 Pandemic
Any member or officer of the Council or any person attending this meeting must inform Democratic Services if within a week of the meeting they discover they have COVID-19 or have been in close proximity to anyone found to have COVID-19.

Staff and Pensions Committee

Monday 12 June 2023

Minutes

Attendance

Committee Members
Councillor Yousef Dahmash (Chair)
Councillor Brian Hammersley
Councillor Christopher Kettle
Councillor Sarah Millar
Councillor Mandy Tromans

Officers
John Cole, Senior Democratic Services Officer
Sarah Duxbury, Director of Governance and Policy
Andy Felton, Director of Finance
Liz Firmstone, Head of Finance Transformation and Transactions
Martin Griffiths, Technical Specialist – Pension Fund Policy and Governance
Vicky Jenks, Pensions Administration Delivery Lead
Chris Norton, Head of Investments, Audit and Risk
Kate Sullivan, Lead Commissioner – Culture, Leadership and Performance

1. General

(1) Apologies

Apologies were received from Councillor Bill Gifford.

(2) Disclosures of Pecuniary and Non-Pecuniary Interests

There was none.

(3) Minutes of Previous Meetings

Resolved:

That the minutes of the meetings held on 6 March 2023 and 16 May 2023 be approved as a correct record and signed by the Chair.

There were no matters arising.

Warwickshire County Council

2. Appointment of Vice-Chair

Councillor Mandy Tromans proposed that Councillor Bill Gifford be Vice Chair of the Committee and was seconded by Councillor Sarah Millar.

There were no other nominations.

Resolved:

That Councillor Bill Gifford be appointed Vice Chair of the Staff and Pensions Committee for the ensuing municipal year.

3. Annual Review Focus on Engaging with Our People

Kate Sullivan (Lead Commissioner, Culture, Leadership and Performance) introduced the report which provided a summary of employee engagement activities undertaken since the introduction of a new approach to engagement in 2022/23. The report outlined key achievements; areas for development; a focus on equality, diversity, and inclusion (EDI); and objectives for 2023/24.

Kate Sullivan reported that:

- Engagement with colleagues in 2022/23 had been supported by three touchpoints throughout the year, two surveys, as well as the 'Big Conversation' hosted by Directors.
- YourSay survey results had been made available to Tier 4 managers in 2022/23 making it possible for managers to consider and act on the findings of the survey.
- Response rates to surveys had increased to 40% in July 2023, and 43% in February 2023.
- Employee engagement had improved by 2%, rising from 74% to 76% during 2022/23.
- Workload was a key focus during 2022/23 with 77% of colleagues agreeing that they were able to achieve a good balance between their work and personal life.
- There had been an in-year increase from 62% to 64% of colleagues who agreed that they had a manageable workload.

Kate Sullivan reported that a new set of questions had been introduced in 2022/23 focusing on EDI. It had been found that the least engaged colleagues had chosen either not to respond or selected 'prefer not to say' when asked about protected characteristics. Efforts would be made to seek improved engagement in this area.

Kate Sullivan outlined the priorities for 2023/24 which included:

- Maintaining participation in YourSay activities.
- Securing health insight to support the wellbeing offer with a focus on workloads.
- Supporting teams to take action locally, encouraging regular and open conversations.
- A 'Community Teams' project to engage more fully with colleagues who were not routinely office-based.

In conclusion, Kate Sullivan reported that 2022/23 had been a successful year. Key business measures had scored above 75% which was a positive outcome. The YourSay engagement approach had been launched successfully with new branding, communication, and intranet resources. In the year ahead there would be a continued focus on workload and wellbeing, as well as maintaining and increasing response rates.

Councillor Millar praised the quality of the report. She highlighted that response rates had increased but remained below 50%. She asked how further progress to increase response rates could be made. She noted that the 12% rate of attendance of the ‘Big Conversation’ was relatively low and asked how participation could be improved in future.

Kate Sullivan stated that it was encouraging that the response rate had increased which had been a targeted outcome. However, achieving improved participation was a priority. This would be supported by the Community Teams project to reach out to colleagues who were not routinely office-based. Efforts would also be made to liaise with Executive Directors to examine response rate data leading to engagement with specific teams where response rates had been low. She advised that Big Conversations had been held as hybrid sessions to enable colleagues to join virtually. The sessions had been recorded to allow staff who had been unable to attend to watch a recording.

In response to Councillor Hammersley, Kate Sullivan stated that it was acknowledged that 36% felt that they did not have a manageable workload. An option had been provided to allow colleagues to leave comments to elaborate on their survey responses. These comments had been collated and analysed. From this, the Big Conversation had been launched with a focus on workloads. When supporting Big Conversation sessions, Directors gathered ideas and suggestions for how workloads could be most effectively managed. This would continue to be an area of focus in 2023/24.

Councillor Tromans noted that the proportion of staff who had agreed to the statement “I believe action will be taken as a result of the YourSay Survey” was relatively low at 42%. She asked how this could be improved.

Kate Sullivan advised that this was among the lowest scoring survey statements. Scoring had been tracked over several years. Since 2019, the proportion of staff indicating that they believed action would be taken as a result of the survey had increased. The decision to share survey results with Tier 4 managers was anticipated to lead to a further improvement. It would enable discussion and focused analysis looking at the implications of survey responses at a team level as well as more broadly across the organisation.

In response to the Chair, Kate Sullivan offered to provide details of how much lower those members of staff who preferred not to disclose protected characteristics scored against the three wellbeing questions outlined on page 8 of the Our People Annual Review 2023/24. This information would be circulated to the Committee following the meeting.

In response to Councillor Hammersley, Kate Sullivan advised that scoring for the statement “I am able to take responsibility for my own performance” provided an indication of whether staff felt as though they had a clear idea of what was expected of them, and the extent by which they could take personal responsibility for their work. The results of the engagement questions provided a set of performance measures that could be viewed alongside other performance measures to indicate how effectively the organisation was performing across targeted outputs.

In response to the Chair, Kate Sullivan advised that the statement “I feel safe to be my authentic self” had been included to develop an idea of the extent by which people felt able to bring their whole self to work. The Our People Strategy aimed to ensure that an individual felt able to bring their authentic self and whole lived experience to work, rather than feel it necessary to adopt a different persona at work. The survey was anonymous so the identities of individuals who indicated that they did not feel safe to be their authentic self were not known. However, there were ways to explore the subject in more detail. The results of the survey were shared with the Council’s EDI Group to enable consideration to be given to why some staff felt unable to bring their whole self to work and how action could be taken to bring about an improvement.

Councillor Hammersley moved that the recommendation be accepted and was seconded by Councillor Millar. This was supported unanimously by the Committee.

Resolved:

That the Staff and Pensions Committee notes the Annual Review of engagement activity for 2022/2023 and endorses the future activities outlined within the report.

4. Regulatory and Policy Update Report

Martin Griffiths (Technical Specialist – Pension Fund Policy and Governance) introduced the report which provided a summary of recently reviewed Pension Fund policies and gave an update on regulatory developments in the pensions arena. He advised that:

- A Data Retention Policy had been produced by officers as it was considered that the specific procedures followed by the Fund relating to data retention should be formalised within a policy. Guidance from the Local Government Association (LGA) had been utilised to develop the Policy. The Committee’s approval was sought for the new Data Retention Policy.

- The Single Code of Practice was a major piece of work being undertaken by the Pensions Regulator. Potentially, it could result in recommendations that would apply across the pensions sector. Publication of the recommendations was anticipated quite soon. Once published, these would be reviewed by officers to determine if any changes should be made to Fund policies.

- In addition to the information within the report relating to the progress of the McCloud Remedy, the Government had published a consultation and draft regulations on 30 May 2023. The consultation would close on 30 June 2023.

- The Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate had been reduced. As a result, it had been necessary for the Pensions Administration Team to temporarily halt many of the calculations it carried out as the factors being used had been superseded. Since then, updated factors had been received, allowing work to continue.

- The Pensions Dashboard initiative was proposed to enable individuals to access their pensions information online, securely, and in one place (including occupational, private, and state pensions). Since publication of the report, an update had been provided by the LGA to advise that the deadline for connection to the Dashboard had been set as October 2026.

Progress would continue to be made to ensure that data was of suitable quality to fulfil the necessary requirements.

- The age at which a member can be automatically enrolled to a pension scheme had been amended from 22 to 18. This was to give more people the opportunity to join a pensions scheme. The change had been made as result of concerns that many people were estimated to be under-saving for retirement.

The Chair expressed his thanks to Martin Griffiths and pension teams colleagues for the guidance and advice that had been provided since he assumed the role of Chair of the Committee.

Councillor Millar moved that the recommendations be accepted and was seconded by Councillor Kettle. This was supported unanimously by the Committee.

Resolved:

That the Staff and Pensions Committee:

1. Notes the updates contained in the Report, and

2. Approves the new Data Retention Policy drawn up for the Warwickshire Pension Fund (attached at Appendix 1).

5. Pensions Administration Activity and Performance Update

Vicky Jenks (Pensions Administration Delivery Lead) introduced the report which outlined key developments affecting pensions administration and the performance of the Pensions Administration Service (PAS). She provided an update on the progress of the Member Self Service (MSS) initiative. The Fund had ceased posting paper payslips. Efforts had been made to encourage more members to sign up to MSS and provide an email address to receive e-payslips. There had been a mixed success rate. Many pensioners had signed up, but there was more work to be done to find out why others had not responded.

In response to Councillor Hammersley, Vicky Jenks advised that paper payslips could be provided to pensioners on request. Other than this, paper payslips would not be posted. Since drafting of the report, the number of requests to sign up to MSS had increased to around 3,500 pensioners. It would be necessary to find out why others had not responded. A reminder would be circulated within the next Pension Newsletter.

Andy Felton (Director of Finance) stated that the Fund had a legal obligation to notify pensioners of any changes to their pension – for example, when there had been an annual uplift. However, there was no statutory obligation to send paper payslips.

In response to Councillor Kettle, Vicky Jenks advised that the key performance indicator (KPI) for 'letter detailing transfer in quote' was below other performance metrics as there had been an increased number of requests. As people changed jobs more frequently, more transfer-in quotes had been requested. Also, the process depended on information provided by other parties which could cause delays. There was a need to improve performance in this area whilst recognising that other duties were treated as higher priorities.

Vicky Jenks advised that if the target response time was extended from 10 days to 20 days, the KPI score would be much improved. The target of 10 days had been set around three years ago, since then the number of requests had significantly increased.

Andy Felton stated that this prompted two options – either to amend the target response time or for the Pension Fund to provide for increased resources to deal with the higher number of requests being received. A report outlining these options could be presented to the Committee at a future meeting.

Councillor Kettle moved that the recommendation be accepted and was seconded by Councillor Tromans. This was supported unanimously by the Committee.

Resolved:

That the Staff and Pensions Committee notes the content of the report.

6. Pensions Overpayment Policy

Vicky Jenks (Pensions Administration Delivery Lead) introduced the report which provided details of the proposed Pensions Overpayment Policy. She advised that the Policy had been devised to minimise the risk of overpayment. However, if an overpayment did occur, it would be important to ensure that the Fund had a set procedure to deal with it properly and effectively. The Committee's approval of the Pensions Overpayment Policy was sought.

In response to Councillor Millar, Vicky Jenks advised that various measures were in place to mitigate the risk of overpayment. Robust processes were in place when a pension was initially set up, this provided an opportunity to avoid problems occurring in future. It also ensured that pensioners had a clear idea of the starting amount. She accepted that if pensioners did not receive either a paper payslip or e-payslip then it would be more difficult to detect an overpayment. However, reconciliation of payments processes were regularly undertaken. Each year, pensions were updated in line with the pensions increase. Every April, a check was made to ensure that payments were in line with expectations.

In response to Councillor Hammersley, Vicky Jenks advised that the Department for Work and Pensions (DWP) 'Tell Us Once' service provided an effective means of notification when a death had been registered. Also, the Fund was usually contacted by the next of kin following the death of a pensioner. Under the National Fraud Initiative (NFI), a check of the pensions roll was made against registered deaths every two years. The adoption of the Member Self Service (MSS) system meant that there was capacity to undertake NFI checks more regularly. If payments had been made following the death of a pensioner, efforts were made to claim the money back provided the sum was over £250. However, the 'Tell Us Once' service worked well so it was rare for payments to be made following the death of a pensioner.

Councillor Hammersley moved that the recommendations be accepted and was seconded by Councillor Millar. This was supported unanimously by the Committee.

Resolved:

That the Staff and Pensions Committee:

1. Approves Warwickshire Pension Fund's policy on Pension Overpayments (the Pension Overpayments Policy).

2. Delegates to the Strategic Director for Resources the authority to update the Pension Overpayments Policy as required from time to time to reflect changes in working practice and/or the law.

7. Warwickshire Pension Fund - Revision of Early Retirement Strain Cost Factors

Vicky Jenks (Pensions Administration Delivery Lead) introduced the report which outlined changes that had been made to early retirement strain cost factors. These factors were used to calculate the cost of allowing somebody to retire early. It had been necessary to revise strain cost factors because of changes to the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate which influenced the cost of pension liabilities. The Committee was asked to ratify the proposed changes.

In response to Councillor Hammersley, Andy Felton (Director of Finance) advised that the cost to enable an early retirement was met by the member's employer. This was because early retirements were usually determined by the employer – for example, when redundancies were made.

Councillor Kettle moved that the recommendation be accepted and was seconded by Councillor Millar. This was supported unanimously by the Committee.

Resolved:

That the Staff and Pensions Committee notes the information provided in the report and ratifies the revision of the Early Retirement Strain Cost Loading Factor for the Warwickshire Pension Fund.

8. Reports Containing Exempt or Confidential Information

Resolved:

That members of the public be excluded from the meeting for the items mentioned below on the grounds that their presence would involve the disclosure of exempt information as defined in paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972.

9. Exempt Minutes of the Previous Meeting

Resolved:

That the exempt minutes of the meeting held on 6 March 2023 be approved as an accurate record and signed by the Chair.

There were no matters arising.

The meeting rose at 14:41.

…………………………………
Chair

Staff and Pensions Committee

11 September 2023

Leading Organisational Wellbeing Annual Review 2022/23

Recommendations

That the Committee:

1. Endorses the Leading Organisational and Wellbeing Review 2022/23 as set out at Appendix 1.

2. Considers the performance information in relation to the management of employee sickness absence during 2022/23 set out in Section 3 and endorses maintaining an overall target of 8 days per FTE (with a +/- 1 day tolerance) for 2023/24.

3. Considers the work in our approach to leading organisational wellbeing and supports the priority actions for 2023/2024 as set out Section 2.11.

1.0 Introduction

1.1 The Annual Review attached as Appendix 1 details the work that has taken place over the last 12 months with regards to leading organisational wellbeing and outlines:

a) The achievements in 2022/23.
b) The priorities and action plan for 2023/2024 to take forward to support our approach to wellbeing.
c) Workforce performance data for 2022/23, with trend and benchmarking information.

1.2 This report pulls out the main themes from the Annual Review for consideration by the Committee.

2.0 Leading Organisational Wellbeing; overview:

2.1 Absence has stabilised throughout the year, with a slight decrease from 9.05 days per FTE at the end of 2021/2022 to 8.99 days per FTE at the end of 2022/23. This is positive, given the increase in the previous year and places us within our target of 8 days per FTE (+/- 1 day).

2.2 Our wellbeing delivery plan was established and continues to evolve, based on evidence from the YourSay surveys, colleague network feedback, and the Thrive accreditation activity.

2.3 In our revised approach to engagement, we now record an overall wellbeing score, based on 3 wellbeing questions. We established a baseline score in 2022/23, showing 78% agreement for 'positive overall wellbeing in the workplace'.

2.4 The Leading Organisational Wellbeing Group, relaunched this year, with wider, more inclusive and representative membership. In addition to managers and leaders, the group now includes interested individuals in the topic of wellbeing and is 40 members strong. The group is steered and guided by the commitments in 'Our Approach to Wellbeing', with an overall purpose to ensure the Council is proactive in supporting the wellbeing of our colleagues, meeting quarterly, communicating via a Teams channel, and regularly reviewing data and campaigns, sharing best practice and enabling the wellbeing delivery plan.

2.5 While the launch of the managers' absence dashboard has been delayed due to issues beyond our control, we plan to launch it next year. This enables us to better review the success of 'Our Approach to Wellbeing', with richer, data-orientated insights and decisions.

2.6 Absence related to Stress and Mental Health illness, increased over the last 12 months from 2.54 to 2.72 days per FTE. This is higher than our target of 2.5 days per FTE, therefore understanding how we can help reduce Stress and Mental Health absence whilst ensuring supportive initiatives and mechanisms are in place remains as one of our key focus for 2023/2024.

2.7 Musculo-skeletal (MSK) remains the second highest reason for absence, although the percentage of time taken off work has reduced from 15.1% in 2021/22 to 12.1% in 2022/23. The Health and Safety team can provide advice and training in relation to manual handling and the new Occupational Health tender will provide opportunities to focus on MSK.

2.8 Absence relating to COVID-19 is the third highest reason for absence (11.4%), peaking in December 2022, and reducing considerably over quarter one. A small number of related long-term sickness cases are still live, and are being proactively managed. At the end of March 2023, these absences had not exceeded three months.

2.9 Overall long-term absence has decreased over the year, from 5.74 days per FTE in 2021/22 to 5.28 days per FTE in 2022/23. Concluding cases in a timely way remains a key focus.

2.10 To support the ongoing work to stabilise absence rates, the proposal for the 23/24 absence target is to remain at 8 days per FTE (+/- 1 day).

2.11 Priorities for 2023/24 - along with the focus on stabilising absence levels, our priorities are:

- Wellbeing check ins and refining the wellbeing delivery plan, guided by the real needs of our people.
- Launch the managers' absence dashboard, providing real time and up to date information.
- Tailored proactive support for teams with high or increasing absence levels.
- Focus on long-term absence, to ensure we are supporting people in returning to work as soon as possible.
- Focus on stress and mental health absence, to ensure that early support is provided.
- Continue to gain evidence for the Silver Thrive at Work accreditation.

3.0 Performance Data and Benchmarking

3.1 The following section provides the information contained within the annual review in table format.

3.2 **Days per FTE**
Sickness absence has remained stable in the last 12 months and has come in under the target of 8 days per FTE (+/- 1 day).

Year Ending	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
Days Lost per Employee FTE	9.60	10.08	10.26	9.90	9.87	9.51	10.90	7.45	9.04	8.99
Public Sector Average				5.3	5.6	5.8	5.3	6.4	7.7	
Shire County Average		9.92	9.78	9.36	9.62	9.48	9.19	7.60	9.62	8.83

Note there has been a change in the way we report, which has increased the figures for 21/22 and 22/23.

Note the Public sector average, CIPD no longer provide this statistic, and therefore we are now using the ONS data, there is a lag in reporting with 2021/22 being the most up to date data available.

3.3 By Service Area

The majority of the service areas remained within the target of 8 days (+/- 1 day) per FTE, our priority areas for focus are Adult Social Care, Children and Families and Business and Customer.

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
WCC (excluding schools)	**10.08**	**10.26**	**9.9**	**9.87**	**9.51**	**10.9**	**7.45**	**9.04**	**8.99**
Communities Directorate	**9.99**	**9.28**	**9.21**	**9.05**	**8.44**	**9.65**	**5.64**	**5.9**	**6.87**
Communities	9.26	10.19	11.12	8.31	7.12	7.93	9.27	6.66	8.52
Environmental Services*						7.02	4.45	8.26	6.4
Fire & Rescue **	6.5	8.42	7.91	10.22	10.09	14.34	4.73	4.48	6.61
People Directorate	**12.28**	**13.16**	**13.12**	**12.12**	**12.12**	**14.11**	**10.51**	**11.48**	**10.64**
Adult Social Care	11.9	16	15.37	13.35	13.38	16.22	11.54	14.57	14.64
Children & Families	11.8	12.86	11.45	12.4	11.66	13.12	10.8	10.48	10.92
Education Services	11.72	8.54	9.62	9.09	7.07	7.83	5.18	5.19	5.32
People Commissioning	15.89	13	11.24	4.03	7.98	7.98	2.28	4.13	3.03
Public Health	3.16	6.56	7.49	7.95	15.15	6.22	1.9	5.11	6.52
Resources Directorate	**8.2**	**8.87**	**8.36**	**7.05**	**8.25**	**9.94**	**6.52**	**8.94**	**8.65**
Business and Customer	11.21	11.55	10.15	9.95	9.43	13.5	8.51	11.24	11.97
Commissioning Support Unit	9	4.98	4.82	3.7	2.66	5.73	2.8	5.21	6.25
Enabling (was HR and OD)	7.84	9.46	7.77	5.03	8.04				
Enabling (was ICT)	4.64	6.89	5.27	5.55	7.71	7.98	6.35	9.16	8.14
Enabling (was Property)	8.7	9.07	10.07	6.37	12.26				
Finance	6.83	7.35	7.18	8.81	7.3	7.18	5.83	6.74	4.37
Governance and Policy	7.29	7.95	5.92	6.77	5.49	6.08	4.03	6.75	5.9

** Fire and Rescue service, from 2020/21 onwards a different method of calculating days per FTE, based on the shift patterns has been adopted.

3.4 Percentage No Absence

No Absence	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
WCC	36.30%	39.30%	38.70%	40.70%	39.60%	48.10%	39.95%	50.45%	61.18%	41.86%	38.25%

3.5 Benchmarking Information

Benchmark data on average days absence obtained from the Shire Counties Network to provide comparative data has been obtained, however, this is not yet a complete picture. Datasets should be considered as illustrative as the precise method for calculation, together with absence strategies, may differ.

The public service sector average for 2022 was 8.17 days per employee per year, compared to 7.7 days reported in 2021. A new benchmark from LG Inform Workforce report, reports that Single Tier and Shire Counties average is 11.20 days per FTE for 2022. The figures for 2023 are not available until the towards the end of the year.

Our absence rate continues to be within the mid-range of our benchmarking information.

Local Authority	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Warwickshire	9.9	9.87	9.51	10.90	7.45	8.61	8.99
LA a	8.4	9.1	9.4	9.80	6.47	9.27	9.01
LA b				9.00	7.70		
LA c	13.2	11.9	12.4	13.63	12.90	15.43	
LA d				10.18	8.30	7.00	
LA e				11.03	8.23		
LA f	7.8	9.1	8.1	8.59	5.64	8.93	8.62
LA g	6.9	7.3	7.5	8.02	5.99	7.17	8.18
LA h				10.08	7.51		9.45
LA i					5.91	8.47	7.77
LA j				8.39	6.46	8.25	9.31
LA k				11.2	10.53	10.38	
LA l				7.42	6.42	9.95	7.9
LA m	7.5	8.3	6.7	7.42	6.42	8.03	
LA n	12.9	13.6	13	11.91	8.79		
LA o		10.6	10.7	6.65	9.48	12.14	11.9
LA p				6.39	4.81		
LA q				6.74	9.48		
LA r				8.1	6.00	7.95	8.09

LA s	7.3	7.3	7.3				8.3
LA t	10.4	11.4	11.3			10	11.39
LA u	9.1	8.8	9.7				
Mean Average	9.36	9.62	9.48	9.19	7.60	9.62	8.83
CIPD Public Sector	8.7	8.5	8.5	8.4	8.0		
ONS Public Sector	5.3	5.6	5.8	5.3	6.4	7.7	

The CIPD no longer published annual data, therefore the ONS figures have been added. Please note these benchmarks lag behind by a year and therefore 2022/2023 data is not yet available.

3.6 **Percentage of time lost due to short-term / long-term sickness**

During the last 12 months we have seen a further reduction in our long term absence, as we reach a more balanced position between long term and short term absence.

	WCC		**Communities**		**People**		**Resources**	
	Short Term	**Long Term**	**Short Term**	**Long Term**	**Short Term**	**Long Term**	**Short Term**	**Long Term**
2015/16	37.3%	62.7%	41.1%	58.9%	33.8%	66.2%	40.0%	60.0%
2016/17	39.7%	60.3%	38.9%	61.1%	37.3%	62.7%	45.6%	54.4%
2017/18	36.6%	63.4%	39.8%	60.2%	33.6%	64.4%	44.7%	55.3%
2018/19	37.4%	62.6%	39.0%	61.0%	32.4%	67.6%	44.2%	55.8%
2019/20	33.5%	66.5%	33.1%	66.9%	30.2%	69.8%	39.0%	61.0%
2020/21	28.6%	71.5%	27.0%	73.0%	27.4%	72.6%	31.8%	68.2%
2021/22	36.4%	63.6%	39.9%	60/1%	33.7%	62.3%	37.3%	62.7%
2022/23	41.2%	58.8%	45.2%	65.8%	39.7%	60.3%	43.4%	56.6%

Short-term absence = below 20 working days. Long term absence four weeks plus

3.7 **Sickness Absence Management**

With the support of the HR Service, managers across all Directorates are working to proactively manage sickness absence in accordance with the Council's refreshed Attendance at Work Procedure. Please note due to the sensitive nature of the details, some of these figures are not recorded in the annual report.

Year	Indicators (e-episodes, d-days)				Ill Health Retirements	Dismissals	Re-deployees
	3e / 6mths	5e / 12mths	10d/12mnth	LTS at 31/			
2015/16	No Record				9	7	No record
2016/17					16	7	No record
2017/18					9	5	No record
2018/19					6	7	1
2019/20	160	117	783	153	9	1	3
2020/21	78	55	568	59	1	2	3
2021/22	195	103	810	88	12	3	2
2022/23	227	98	915	81	14	1	0

3.8 **Reasons for Sickness Absence**

The top reasons for sickness absence by percentage has remained consistent with last year, although we have seen an increase in stress and mental health absence and a reduction in musculoskeletal absence. Stress and mental health remains the highest, and we have also seen an increase at 2.72 days per FTE, and above our target of 2.5. Addressing this will be a priority for the next year. Covid-19 related absence has stabilised and has started to reduce but remains our third highest reason.

We have recently introduced a new category of menopause related absence, to support our menopause campaign and allow us to track the data and look forward to reporting on this next year.

Reason	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
Mental Health	19.9%	25.4%	25.3%	24.6%	25.7%	29.1%	33.1%	28.10%	30.2%
Musculoskeletal	17.7%	18.6%	16.0%	18.1%	19.6%	17.0%	15.7%	15.10%	12.1%
Covid							4.5%	12%	11.4%
Chest or Respiratory	5.9%	4.6%	5.1%	9.9%	9.6%	7.9%	3.8%	4.2%	8.0%
Digestive System	6.9%	6.7%	7.0%	4.5%	6.4%	6.8%	4.0%	6.0%	5.8%
Reason Withheld	6.6%	3.9%	5.5%	0.9%	5.9%	6.1%	5.9%	4.3%	4.4%
Neurological	4.0%	4.2%	3.4%	3.7%	4.1%	5.0%	4.3%	3.0%	3.3%
Viral	13.9%	13.2%	12.3%	4.8%	3.5%	3.5%	2.0%	1.8%	2.9%
Cancer	n/a	n/a	n/a	n/a	na	n/a	6.5%	4.5%	2.3%

3.9 **Occupational Health Referrals and Reasons**

Management referrals have reduced over the last 12 months, and even through absence relating to stress and mental health reasons has increased our referral have also reduced. We will therefore be working with managers to ensure timely referrals to occupational health for individuals who are suffering with stress and mental health.

Directorate	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
Communities	77	73	99	103	78	111	73	84	47
People	256	211	168	181	181	222	210	260	291
Resources	127	128	110	97	79	78	94	132	127
Total	**460**	**412**	**377**	**381**	**338**	**411**	**377**	**476**	**465**

Referral Reasons	18/19	19/20	20/21	21/22	23/23
Mental Health	40%	47%	50%	51%	42%
Musculo-Skeletal	21%	20%	15%	9%	19%
Other Reasons	39%	33%	35%	40%	39%

3.10 **Employee Assist Programme**

The Employee Assistance Programme provision is available to all WCC colleagues (excluding WFRS who have their own in-house provision) and has continued to be extensively communicated and promoted to colleagues. The amount of referrals has stablilised. We are currently in the process of retendering both the Occupational Health and Employee Assist Programme contracts and look forward to maximising the opportunities for support going forward.

	20/21	21/22	22/23
Emotional Support	128	163	162
Legal and Information	35	29	5
Management Support	2		0
Total	165	192	167

WCC only contacts.

4.0 Financial Implications

4.1 The estimated opportunity cost of days lost due to sickness absence has increased by £0.3 million, this can be attributed to an increase in in our overall FTE during 2021. Please note that this figure does not include any cover costs where cover arrangements may have been put into place.

	2018/19	2019/20	2020/21	2021/22	2022/23
Estimated Cost	£3.13 million	£3.5 million	£2.8 million	£4.2 million	£4.5 million

5.0 Environmental Implications

None for this report.

6.0 Conclusions

6.1 Through 2022/2023 we have continued to demonstrate our commitment to wellbeing and keeping our people well and in work. Absence rates have stabilised and remain under target.

6.2 We have relaunched the Leading Organisational Wellbeing Group, bringing together colleagues with an interest in wellbeing, to help inform our offer.

6.3 We have developed a Wellbeing Delivery Plan, aligned to the needs of our people, our organisation and have already delivered several wellbeing initiatives as part of this.

6.4 We have continued to collect evidence to apply for Silver Thrive at Work and launched the associated wellbeing check-in in June 23.

6.5 Our new wellbeing Your Say engagement score has set a positive baseline for future years. Our people believe that their manager cares about their wellbeing and how to access support. Further work needs to be done on enabling people to prioritise their wellbeing.

6.6 We look forward to bringing together the outputs from the Wellbeing check in and working with our newly procured occupational health and employee assistance programme providers, in developing a wellbeing offer aligned to the needs of our people.

Appendices
Appendix 1 – Annual Review focus in Leading Organisational Wellbeing 2022/2023

Background Papers
None

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OUR PEOPLE

Focus on Leading Organisational Wellbeing

Annual Review **2022/23**

Warwickshire County Council, a great place to work where diverse and talented people are enabled to be their best.

Message from Monica Fogarty, Chief Executive

Supporting the health and wellbeing of our people continues to be hugely important to us as an organisation. Put simply we want our people to be at their best to enable them to provide the best services to our customers and communities, and we know that our colleagues understand and appreciate this.

This year we have been able to enhance our approach further with the development of a new wellbeing delivery plan that aligns to our data and insight to shape a wide range of activities and initiatives that help us to continually enhance and improve the support we can provide.
Over the last year we have re-established our Leading Organisational Wellbeing forum; bringing together colleagues from across the organisation to help us drive wellbeing forward and really embed it into what we do. We have developed more tailored training and development to meet the needs of our people – stress; healthy eating and nutrition, and menopause are all areas that have benefited from a more tailored approach to the support we provide, which has been met with really positive feedback.

Sickness absence has stabilised throughout the year, and our long-term absence rates have decreased; and we continue to look at how we can support colleagues through periods of illness and with their return to work.

We continue to push our wellbeing focus forward and the forthcoming year promises to bring further developments as we look to re-procure our occupational health and employee assistance offer; and build our evidence to gain the silver Thrive at Work accreditation.

Our people remain our most valuable asset, and we will continue to prioritise our wellbeing approach to ensure colleagues are supported to stay well and be at their best.

At a glance

1. **Absence** has stabilised throughout the year, with a slight decrease from 9.05 days per FTE at the end of 2021/2022 to 8.99 days per FTE at the end of 2022/23. This is positive, given the increase in the previous year and places us within our target of 8 days per FTE (+/- 1 day).

2. **Our wellbeing delivery plan** was established and continues to evolve, based on evidence from the Your Say survey's, colleague network feedback and the Thrive accreditation activity.

3. In our **revised approach to engagement**, we now record an overall wellbeing score, based on 3 wellbeing questions. We established a baseline score in 2022/23, showing 78% agreement for positive overall wellbeing in the workplace.

4. The **Leading Organisational Wellbeing Group**, relaunched this year, with wider, more inclusive and representative membership. In addition to managers and leaders, the group now includes interested individuals in the topic of wellbeing and is 40 members strong. The group are guided by the commitments in 'Our Approach to Wellbeing', with an overall purpose to ensure the Council is proactive in supporting the wellbeing of our colleagues, meeting quarterly, communicating via a Teams channel, and regularly reviewing data and campaigns, sharing best practice and enabling the wellbeing delivery plan.

5. While the launch of the **managers' absence dashboard** has been delayed due to issues beyond our control, we plan to launch it next year. This enables us to better review the success of 'Our Approach to Wellbeing', with richer, data-orientated insights and decisions.

6. **Absence related to stress and mental health illness,** increased over the last 12 months from 2.54 to 2.72 days per FTE. This is higher than our target of 2.5 days per FTE, therefore understanding how we can help reduce stress and mental health absence whilst ensuring supportive initiatives and mechanisms are in place remains a key focus of 2023/2024.

7. **Musculo-skeletal (MSK) remains the second highest reason for absence,** although the percentage of time taken off work has reduced from 15.1% in 2021/22 to 12.1% in 2022/23. The Health and Safety team can provide advice and training in relation to manual handling and the new Occupational Health tender will provide opportunities to focus on MSK.

8. **Absence relating to COVID-19 is the third highest reason for absence** (11.4%), peaking in December 2022, and reducing considerably over quarter one. A small number of related long-term sickness cases are still live, and are being proactively managed. At the end of March 2023, these absences had not exceeded three months.

9. **Overall long-term absence has decreased over the year,** from 5.74 days per FTE in 2021/22 to 5.28 days per FTE in 2022/23. Concluding cases in a timely way remains a key focus.

10. To support the ongoing work to stabilise absence rates, the proposal for the 23/24 absence target is to remain at 8 days per FTE (+/- 1 day).

11. **Priorities for 2023/24** along with the focus on stabilising absence levels, our priorities are:

    - Wellbeing check ins and refining the wellbeing delivery plan, guided by the real needs of our people.
    - Launch the managers' absence dashboard, providing real time and up to date information.
    - Tailored support for teams with high or increasing absence levels.
    - Focus on long-term absence, to ensure we are supporting people in returning to work as soon as possible.
    - Focus on stress and mental health absence, to ensure that early support is provided.
    - Continue to gain evidence for the Silver Thrive at Work accreditation.

Our People Strategy alignment

Through the later end of 2020, the council refreshed the 'Our People Strategy',to drive through the vision of Warwickshire County Council, a great place to work where diverse and talented people are enabled to be their best.

Our behaviours

Our behaviours were first introduced in 2016 and these haven't changed. Our behaviours frame how we should behave at work. They help us to understand how we should go about our work and the way we should interact with each other and our customers.

To support us to achieve this vision, five key organisational values have been identified:

High performing | Collaborative | Customer focused | Accountable | Trustworthy

Embodying our values and behaviours, Our People Strategy is built on 6 building blocks:

For each building block we have a clear set of outcomes we need to achieve so that we can fulfill our vision and transform as an organisation in a way which is sustainable.

Looking back

Key focus areas for 2021/2022

In last year's annual review, we set the following priorities for 2021/2022

- Develop a wellbeing delivery plan that co-ordinates all wellbeing activity.
- Launch the managers' absence dashboard, providing up to date information to managers to support the management of attendance.
- Understanding the longer-term impact of the pandemic.
- Target areas of high or increasing absence levels.
- Prepare for Silver Thrive at Work accreditation.

This document reviews absence statistics and actions taken to create a sustainable and resilient workforce through our Leading Organisational Wellbeing approach through 2022/2023 along with the plans for 2023/2024.

Measuring success

To measure our performance, we will continue to monitor and report the following:

Days lost per employee overall
8.99
9.04 2021/2022

Days lost per employee for stress, anxiety & mental health
2.72
2.54 2021/2022

% with no sickness absense in the last 12 months
38.25%
41.86 2021/2022

Number of people on long-term absence
81
88 2021/2022

Long term/ short term % split
58.8% : 41.2%
63.5% : 36.5% 2021/2022

Achievements 2022/2023

Our wellbeing action plan

Our Council Plan commitment to support people to live healthy, happy and independent lives is built into Our People Strategy, strategic priorities and delivery activity. Embedding wellbeing in work as a priority means that our people can be in the strongest position to achieve the best possible outcomes for the people of Warwickshire.

We define wellbeing as "how we are doing as individuals and how we experience our lives and the world around us". Achieving 'good' wellbeing is influenced by a variety of factors, including work, personal life, and individual preferences.

A new, dynamic wellbeing delivery plan has been established, based on evidence from the Your Say surveys, colleague network feedback, and the Thrive accreditation activity. Linked to 'Our Approach to Wellbeing', it aims to support our people to be their best selves both in work and in their communities. Positive wellbeing enables productivity; we cannot be productive if we do not take care of ourselves and those around us. Aligned to current insight, the plan focuses on mental health and stress; physical health and wellness; working relationships founded on respect and financial wellbeing.

People Strategy Building Blocks	What?	Measurement of success
Culture, values and behaviour	Explore workloads, meeting etiquette and how we work.	Your Big Conversation data, Your Say survey, absence data.
	Relaunch Leading Organisational Wellbeing Group.	
	Devise a suite of training sessions and workshops to support wellbeing that will run annually.	Absence Data, Feedback from sessions, Your Say survey.
	Develop an annual programme of activities designed to get people away from their desks/workstations.	Absence Data, Feedback from sessions, Your Say survey.
	Support targeted campaigns that are in keeping with our people's needs and link with relevant teams.	Absence Data.
	Support and promote Listening Mates, Wellbeing Champions, and networks.	Number of calls, conversations and feedback received.
	Create a wellbeing product to allow wellbeing to be localised and adapted to differing teams' needs in line with team principles and stress plans.	Devise feedback as part of the product.
Leadership	Making sure that leaders have support that they need to enable them to support their teams and have adult to adult conversations.	Turnover rates, Your Say survey.
	Appoint a senior leader wellbeing ally.	Turnover rates, exit interviews Your Say survey.
	Develop resource to share wellbeing information with leaders.	Your Say surveys, exit interviews, engagement figures with campaigns.

Reward and recognition	Add a range of discounts for local leisure centres, gyms, and classes to the Vivup platform.	Number of staff who take up this offer.
	Develop a wellbeing STAR award.	Number and content of nominations for the STAR awards.
	Promote Vivup and the Citysave credit union across WCC.	Level of engagement with Vivup.
Talent development and career opportunities	Recruit, train, support and develop Listening mates, Health and Wellbeing Champions.	
	Ensure line managers and colleagues are aware of the roles and allowances for Listening Mates and Health and Wellbeing champions.	
Organisational Development and Design	Engage with policy task force to embed wellbeing into all policies.	
	Retender and promote Employee Assistance Programme (EAP).	No. of EAP calls and occupational health referrals and feedback.
	Build a product to take to local teams that enables them to engage with their own wellbeing and take ownership of it.	No. of attendees at sessions and feedback from sessions.
	Regular wellbeing sessions and listening events.	Your Say survey engagement Event engagement.
	Find ways to engage with colleagues without intranet access.	Feedback from teams.
Performance	Ensure that we have processes and procedures in place to monitor effectiveness of our activities.	No. of listening mates calls feedback of listening mates Your say survey data sickness absence data case studies from colleagues
	Add wellbeing questions to Your Say Thrive activities focusing on leavism, presenteeism, absenteeism, how we work, workloads, additional support offered.	Use this as a measure of success or to highlight priority areas for work.

As part of this plan, wellbeing activity has been moved into our Diversity, Inclusion and Wellbeing (D,W&I) team, comprising two roles that oversee wellbeing across the Council; a Senior Diversity, Inclusion and Wellbeing Practitioner, and a Senior Wellbeing Support Officer.

Leading Organisational Wellbeing Group

The newly refreshed, 40-member strong, Leading Organisational Wellbeing (LoW) Group, provides strategic oversight to ensure that the Council takes a proactive approach towards wellbeing and holds a fundamental, active and responsible role for the delivery of this plan, helping to ensure we reach the widest possible audience across our entire organisation.

New corporate wellbeing training offer

Through proactive and ongoing communication with colleagues from across WCC, we discovered that our people want to learn more about a number of topics, including how to deal with stress, healthy eating and nutrition, and menopause. This insight shaped a new catalogue of wellbeing training, available to all Council colleagues, with measures attached to monitor how well the offer meets the needs and expectations of our people.

Sessions include:

- 5 Ways to Wellbeing eLearning
- Control, Influence, Accept
- Dealing with pressure and becoming more resilient for staff
- Dealing with pressure and becoming more resilient as a manager
- Food and energy
- Food and immunity
- Food and the menopause
- Food and mood
- Managing perimenopause and menopause with Newson Health
- Menopause awareness eLearning
- Overcoming Imposter Syndrome
- Tools for having a supportive conversation

Many of the sessions were originally designed to be an hour long, in support of colleagues who carry a heavy workload. However, feedback from those who attended the hour-long sessions highlighted a desire for them to be longer; a positive indicator of the personal responsibility colleagues are taking, and line managers are providing, in prioritising health and wellbeing.

From demographic data of all attendees to date, we can see that male colleagues, and individuals over 60, were underrepresented. We plan to continue to gather this data to ensure we have an accurate picture of who is accessing this service and who are unable to use our services. This will help us understand trends and allow us to proactively target attendance of underrepresented groups. Our immediate actions from this will be to explore what male colleagues would like us to focus on so that we are able to support their wellbeing.

Sessions to encourage employees to take care of their wellbeing
There are small things that we can all do that lift our spirits and our mood. However, everyone's wellbeing is different and what gives energy for one person, can be draining for another. We have been putting on a range of short sessions for people to try to discover what can help with their wellbeing.

These have included:

- Head and hand massage sessions
- Drumming and singing workshops
- Mindfulness
- Thai Chi
- Crafting Sessions
- Walking and foraging groups

We received some great feedback and recognise that colleagues who take some time away from their work, come back feeling refreshed and able to be more productive.

"I entered feeling fed up and overwhelmed by work and left feeling really positive and happy. Was the highlight of my week."

Time to Talk

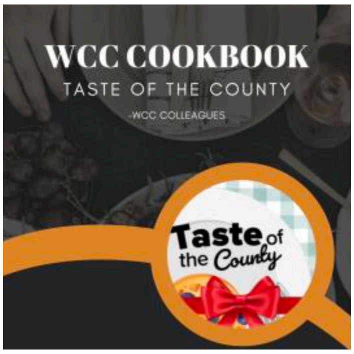
A campaign run by Mind and Rethink Metal illness to encourage people to talk about how they feel. Stress and mental health related issues account for 2.72 days per FTE absence at the County Council. Therefore, we are exploring ways to support people to talk to one another more often about what is going on and find ways to support one another.

To mark Time to Talk day in February, we ran events designed to encourage people to talk about how they are doing. **Sessions included:**

- Training for line managers on how to have supportive conversations. This is now part of our core wellbeing training offer.
- Inclusivi-tea sessions where people can meet up and get to know someone new.
- A crafting session for people to make friends over shared interest, have a break from work, and learn something new.

These were designed to support the ongoing culture change focusing on fostering trust and adult- to-adult conversations and relationships.

"I think the course was great and would be of great benefit when people first get people managing jobs. Lots of practical tips to being a supportive listener and helped me identify my advice monster!"



Sugar Smart, healthy cooking demonstrations and employee-created cookbook

The 2021 Thrive health needs assessment showed that colleagues wanted to be able to eat more healthily but didn't have the time or money to make that a priority. Therefore, Public Health and the internal Wellbeing Team ran the Sugar Smart campaign that was designed to make people more mindful of how much sugar the foods they were eating contained.

This campaign consisted of:

- Face to face session in Warwick Library to talk about sugars in processed foods and to share Wellbeing for Life advice, guidance and resources for people to access in their own time
- Two online cookery sessions looking at the amount of sugar in different ingredients and creating a healthier alternative was made
- Collecting recipes from colleagues that were cheap, easy and healthy

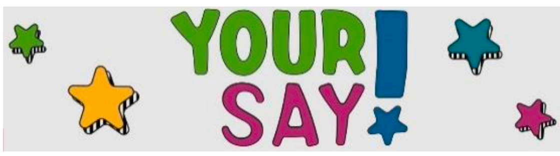
Thanks to an overwhelming response, the recipes were collated into our very first cookbook – Taste of the County. This was produced in-house with support from the Marketing and Communications Team. The cook book is now used in regular cookery training sessions for colleagues hosted online and in County Parks facilities. As of March 2023, the cookery book has been downloaded 1742 times.

"More sessions like this please as it is good to get together with others and it is beneficial to health to spend some time cooking and looking at healthy foods"

Engagement

We have implemented a new approach to engagement in 2022. This featured two Your Say surveys, and a series of Big Conversations, hosted by Assistant Directors, focusing on workload. This approach provides us with regular opportunities to check in with our people.
Overall, our engagement score increased from 74% to 76%, and we were pleased to see an increase in our participation rates. We have introduced a new measure for wellbeing, based on a aggregated score of the following questions, which overall gave us an agreement score of 78%, which is an encouraging baseline for future year:

- I am able to prioritise my wellbeing – 63%
- I know where to access support for my wellbeing – 85%
- I believe my manager cares about my wellbeing – 85%



Thrive at Work Accreditation

We continue to work towards the silver level and have been working with the West Midlands Combined Authority on collating the evidence required. The silver level Wellbeing Check-in was launched in May 2023, as part of our Your Say activity. The results, due in August 2023, will inform the continued evolution of the wellbeing delivery plan and enable us to be assessed for silver in the summer of 2024.

New wellbeing hub and visual identity

Our intranet pages were redesigned and brought together to form a new wellbeing hub. This signposts to information and resources on:

- Physical wellbeing - staying active and safe at work; nutrition information; WCC sports grounds and green spaces; and Cycle to Work scheme
- Social wellbeing including building good working relationships; managing workloads, and Council social activities
- Mental wellbeing including 5 ways to wellbeing; stress and resilience; mindfulness, and external support including crisis support
- Training and support available for individuals and teams
- Occupational health services
- Relevant policies and procedures

As part of this redesign, a new visual identity was created to help promote the importance of wellbeing across the organisation and provide a consistent look and feel to our wellbeing approach.

Flu vaccination campaign

Continued collaboration with Public Health to integrate and promote messaging around flu vaccinations. A further successful year of on-site flu vaccination clinics were delivered over 10 days, for the 2022-2023 flu season, in partnership with Shiraz and Sons Ltd (Crest Pharmacy). Up from 480 in 2021-2022, 800 of our employees accessed the service, at locations across Warwickshire, at no direct cost to them.

Menopause

In July 2022, we began work on how we can support people as they go through the menopause, acknowledging that it can happen at any age for a range of reasons, and that each woman or person’s menopause will affect them differently.

A new menopause intranet page was created with ways to access support, resources, as well as information on how to provide support to colleagues going through the menopause. We have also added menopause as a reason for absence, so that we can start to monitor the absence trends.

Training sessions were developed with a range of women and people of all ages and from diverse backgrounds so that everyone had access to learning about the impact of menopause and how to support those going through it. These were formally launched in October 2022 as part of Menopause Awareness Month, along with sessions on:

- Menopause treatments and HRT from Dr Halini Khunger from Newson Health
- Navigating your menopause by Tina Holloway, Menopause Ambassador
- Yoga for menopause as a way to bring people together to share their experiences
- Nutrition to help menopause by Sarah Summers
- Menopause cook along containing recipes with ingredients known to help with
- menopause symptoms
- Journalling for menopause to allow people to explore the emotions and experiences associated with menopause
- Foraging for menopause with Kate Beswick to highlight the benefits of being in nature to wellbeing and how natural remedies can help symptoms

A menopause peer support group has now been set up which offers a safe space for anyone who is experiencing the menopause. The group meets monthly, virtually and offer a safe space for people to share experiences and advice with others. There is also a teams channel to join for ad hoc support.

Following the positive impacts and success of this campaign, Menopause is now part of our corporate training offer with:

- Understanding Menopause
- Food and the Menopause

Going forward, we are developing an organisation-wide approach to supporting those experiencing the Menopause to ensure everyone feels supported and valued and do not feel they have to sacrifice careers or their wellbeing.

"Thank you, thank you, thank you for opening the doors and acknowledging the high percentage of staff going through either peri menopause or the menopause. I hope WCC continues to offer support to those going through it and managers on how best to support their staff. Well done WCC for organising such a calendar of interesting events for staff to attend."

Listening Mates

This year we have been working on developing and promoting our Listening Mates service. Listening Mates are a group of staff volunteers who have been trained to provide support to colleagues about anything that is bothering them. Listening Mates signpost where necessary to further sources of help or information.

We have streamlined the referral process and feedback process for Listening Mates so that people can access support faster whilst ensuring anonymity. We have also created a video for people to understand the process of contacting a Listening Mate, what support is available, and hear testimony from people who have used the service in the past.

All Listening Mates now receive Mental Health First Aid training, offering them a community to support them if they encounter difficult topics, and a range of resources to signpost people to.

Managers insight and data

Managers have continued to be provided with monthly data to support them in managing attendance. Alongside this, work has continued to take place in developing meaningful, relevant and accessible absence dashboards, which are due to be launched later this year.

Public Health collaboration

Successful partnership working continues with Public Health on suicide prevention and domestic abuse, both being key wellbeing priorities for both Coventry and Warwickshire. Additional training opportunities were identified and implemented, including the launch of the Zero Suicide Alliance training and Domestic Abuse eLearning. Statements of commitment and related guidance were created for internal use, as a translation of the external strategies, linked with the development of internal delivery plans.

Our employee networks

Warwickshire County Council recognises the power of staff networks to improve the wellbeing of our staff, and the culture of our organisation. One of the ways we wish to support this is through the development of specific staff networks. Such groups provide members with the opportunity to support one another, connect, and discuss prevalent issues and enact change.

Our staff networks are run by employees for employees, with administrative support from the Diversity, Inclusion and Wellbeing (D,I&W) team. We currently have nine staff networks:

- Cancer Support Group
- Carers Network
- Christian Network
- Culture Network
- LGBT+ Network
- Menopause Peer Support Group
- Neurodiversity Network
- Women’s Network
- Widows / Widowers Network

A representative from each of our equality staff networks attends the Council’s Leading Organisation Wellbeing group meetings as a critical friend, providing the networks with a clear route within WCC to feedback, recognising the importance of two-way communication to enable a collaborative, innovative and accountable environment.

The chairs of all networks also meet every other month to discuss ways they can work together to highlight any areas of concern or focus, and work together to bring about positive change within the organisation.

Looking forward

Key focus areas for 2023/2024

- Run a Wellbeing Check in and review the wellbeing delivery plan to make sure that it supports the real needs of our people, and links to relevant public health campaigns.
- Launch the managers' absence dashboard, providing up to date information to managers to support the management of attendance.
- Tailored support for teams with high or increasing absence levels and lower wellbeing scores in the Your Say survey.
- Focus on long-term absence and stress and mental health related absence, to ensure we are supporting people in returning to work as soon as possible.
- Continue to gather evidence for the 'Silver' Thrive at Work accreditation.
- Re-procure our provider for occupational Health and employee assistance programme services.
- Continue to develop the Leading Organisational Wellbeing group, our listening mates and our Wellbeing Champions.
- Launch 'Our Approach to Menopause' and 'Our Approach to Suicide Prevention', outlining our commitment to support
- Linking with the engagement project for community-based teams and continue to monitor our wellbeing engagement measures through our Your Say activity.
- Linking with the leadership offer to enhance leadership-based training for our leaders.

Key measures and targets for 2023/2024

- 8 days per FTE (+/- 1 day) sickness absence
- 2.5 days per FTE stress / mental health / anxiety absence
- maintaining overall wellbeing score above 75%
    - I am able to prioritise my wellbeing
    - I believe my manager cares about my wellbeing
    - I know where to access support for my wellbeing
- Monitor top 5 reasons for absence
- Monitor long term : short term absence split

Conclusion

Through 2022/2023 we have continued to demonstrate our commitment to wellbeing and keeping our people well and in work. Absence rates have stabilised and remain under target.

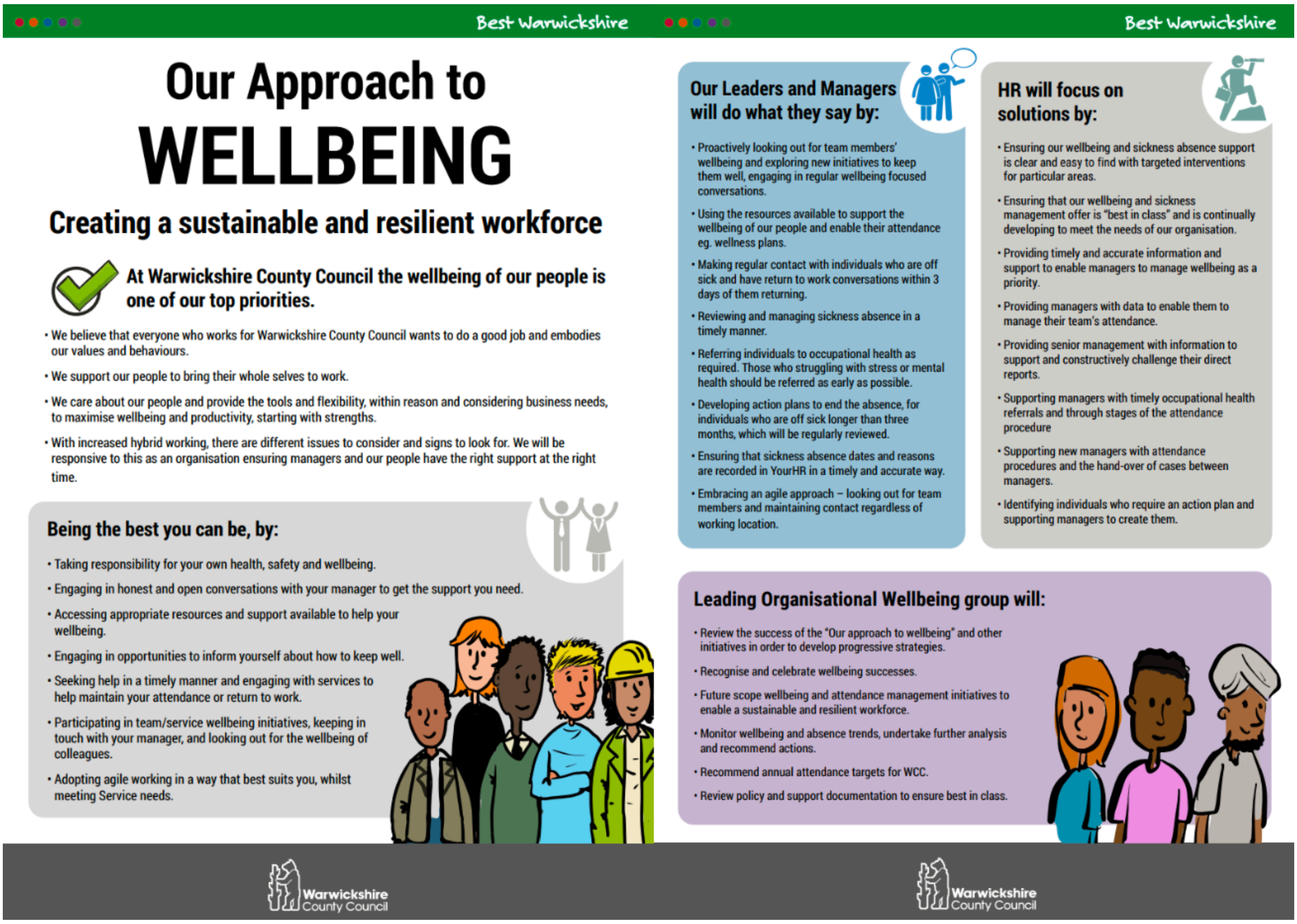
We have re launched the Leading Organisational Wellbeing Group, bringing together colleagues with an interest in wellbeing, to help inform our offer.

We have developed a wellbeing delivery plan, aligned to the needs of our people, our organisation and have already delivered several wellbeing initiatives as part of this.

We have continued to collect evidence to apply for Silver Thrive at Work, and launched the associated wellbeing check-in in June 23.

Our new wellbeing Your Say engagement score has set a positive baseline for future years. Our people believe that their manager cares about their wellbeing and how to access support. Further work needs to be done on enabling people to prioritise their wellbeing.

We look forward to bringing together the outputs from the wellbeing check in and working with our newly procured occupational health and employee assistance programme providers, in developing a wellbeing offer aligned to the needs of our people.



Sustainable and Resilient Workforce Annual Report 22-23

Introduction

Key Measures and Definitions

Full Time Equivalent (FTE): Full Time Equivalent relates to the number of hours an employee is contracted to work each week as a proportion of the number of hours per week defined as full-time as per contracts of employment. Thus, a full-time employee would have an FTE of 1/0 and an employee working 18.5 hours per week in a role based upon a 37 hours contract would have an FTE of 0.5

Days per Full Time Equivalent (FTE): Days per FTE relates to the number of days of sickness absence per FTE

Key Highlights

Absence has **decreased** over the last 12 months from **9.04** days to **8.99** days per FTE.

The balance between long term and short term absence is moving toward becoming more **equal**, however short term absence has increased in 2022/23 and long term absence decreased overall.

Stress and Mental Health is the top reason for absence and the days per FTE have **increased** slightly this year. The percentage of days lost to Stress and Mental Health have also **increased** in this year from **28.2%** to **30.3%**.

Coronavirus has had an impact on our absence figures this year, accounting for 11.4% and over 1 day per FTE. This has decreased from the previous year.

The number of people on long term absence and those hitting triggers has **decreased** slightly this year.

Employee engagement has increased this year to **76%**.

Warwickshire County Council, a great place to work where diverse and talented people are enabled to be their best.

We will listen, learn and act to create an inclusive organisation with a sustainable and resilient workforce.

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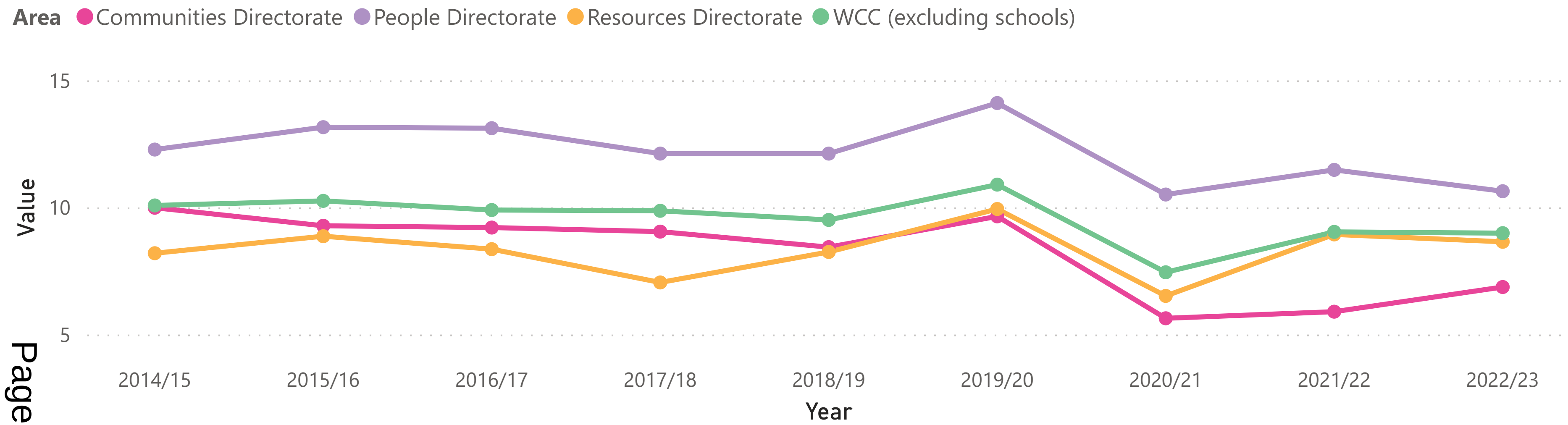
Sustainable and Resilient Workforce Annual Report 22-23

Absence

Days per FTE

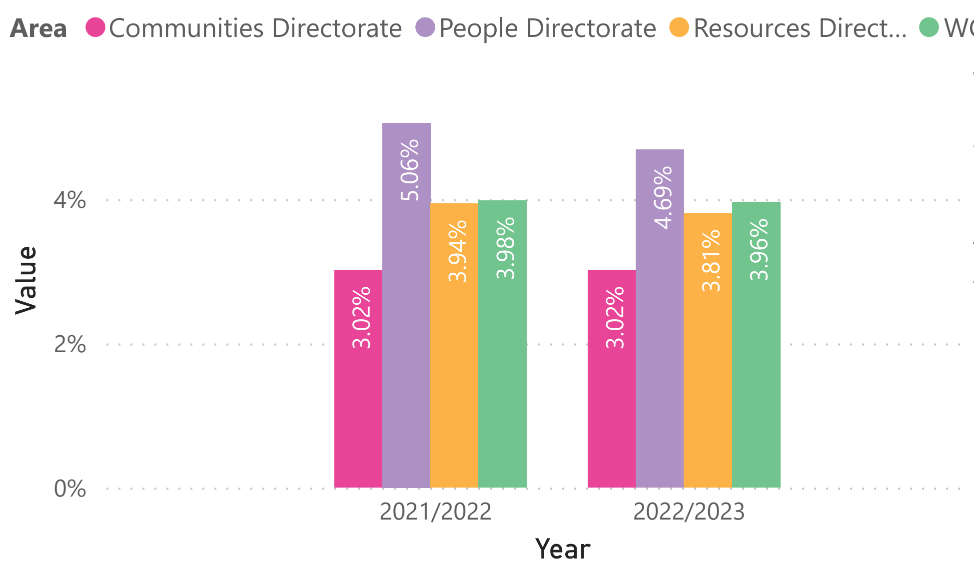


The days per FTE for WCC overall have slightly decreased from 2021/22 (**9.04** days per FTE) to 2022/23 (**8.99** days per FTE).

There has been a decrease in days per FTE in the People Directorate and Resources Directorate, however a slight increase within the Communities Directorate (**5.90** days per FTE 21/22 to **6.87** days per FTE in 22/23).

Days per FTE were highest in 2019/20 which could relate to the outbreak of Coronavirus.

Absence % of Time Lost 22/23



The percentage of time lost to absence in WCC has increased from **3.98%** in 2021/22 to **3.96%** in 2022/23.

There has been a decrease in the percentage of time lost to absence within the People Directorate and Resources Directorate, however a slight increase within the Communities Directorate in 2022/23.

Days per FTE has **decreased**

WCC Days per FTE 21/22	WCC Days per FTE 22/23
9.04	8.99

% of staff with no absence has **decreased**

% staff with no absence 21/22	% staff with no absence 22/23
41.9%	38.3%

Top Sickness absence reasons 22/23

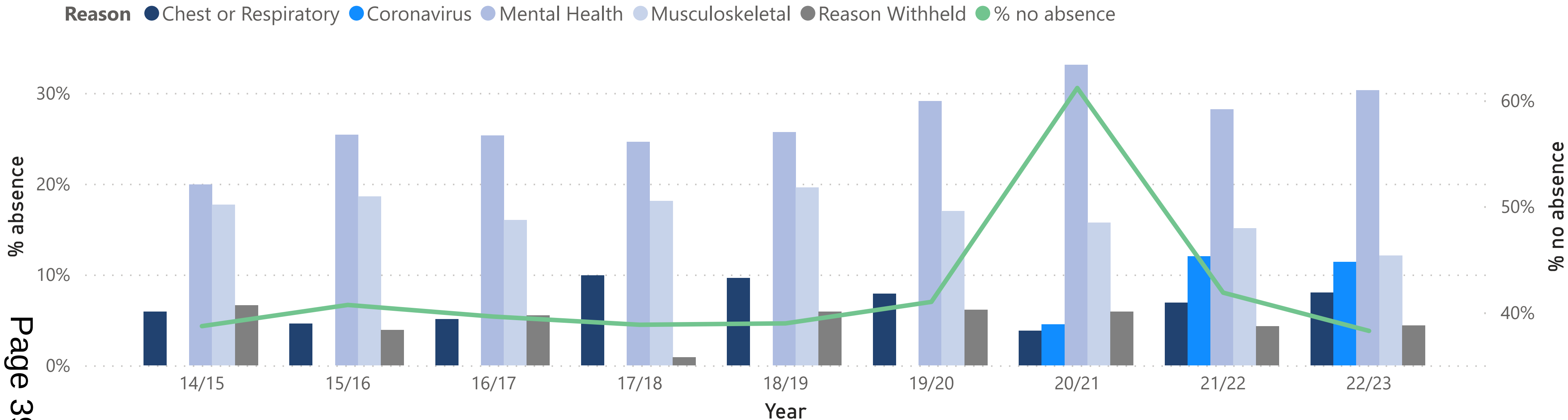
Stress and Mental Health	Musculo-skeletal	Coronavirus
30.3%	12.1%	11.4%

Sustainable and Resilient Workforce Annual Report 22-23

Absence

Ref: SRW23 | Version: 1 | Status: Dev
For queries, contact businessintelligence@warwickshire.gov.uk
Please quote the Ref number in your email

Top Reasons for Absence and % of all staff with no absence trend

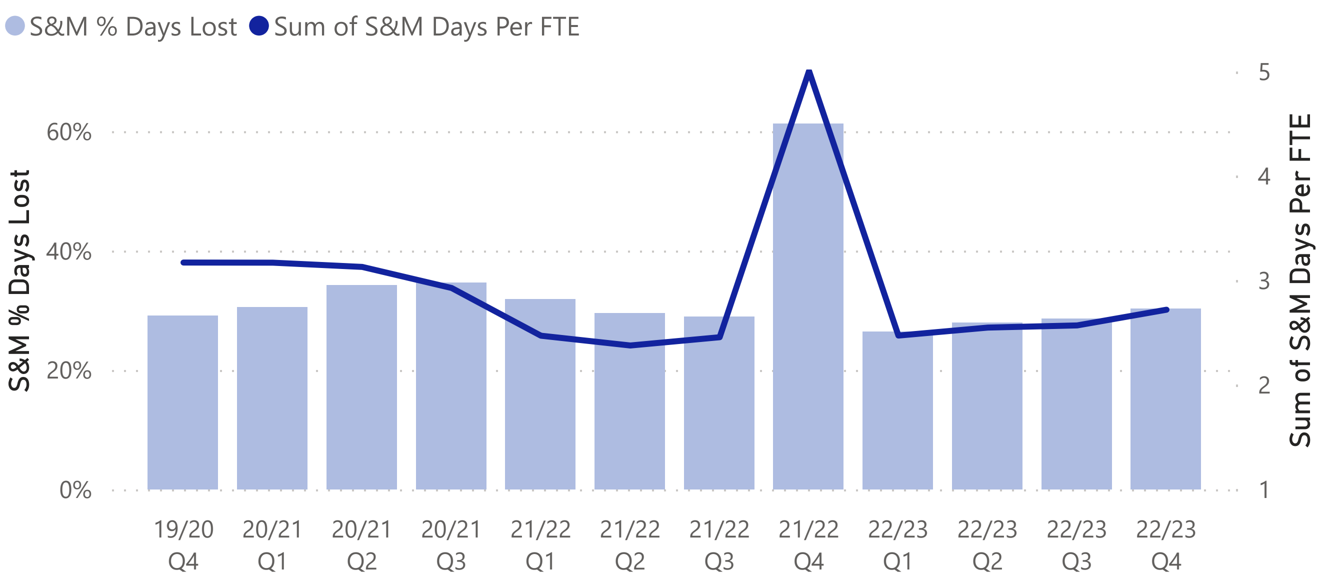


The top reason for sickness absence is Stress and Mental Health, which has increased from **28.2%** in 2021/22 to **30.3%** in 2022/23.

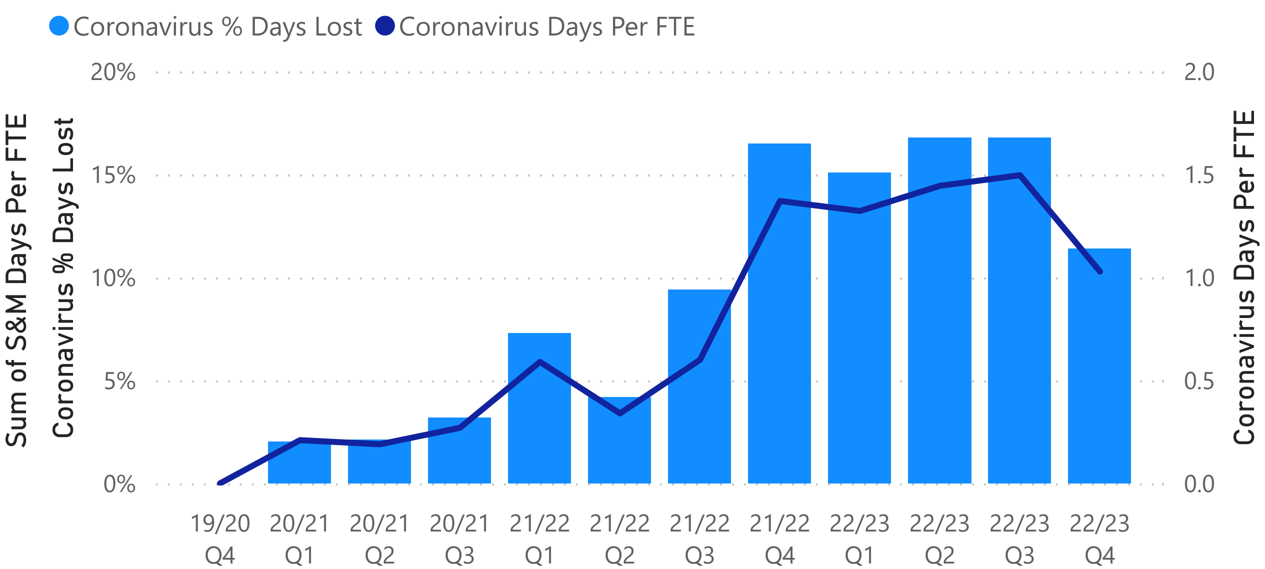
Musculoskeletal is the second cause of absence, although this has decreased from **15.1%** in 2021/22 to **12.1%** in 2022/23.

The percentage of no absence has decreased from 2021/22 from **41.9%** to **38.3%** in 2022/23.

Stress and Mental Health % of days lost



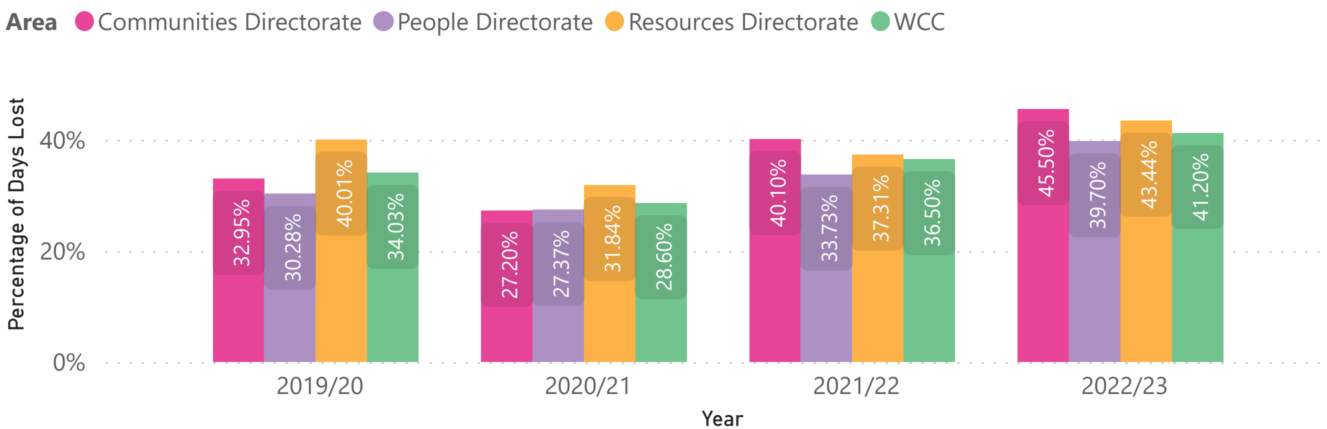
Coronavirus % of days lost



Sustainable and Resilient Workforce Annual Report 22-23

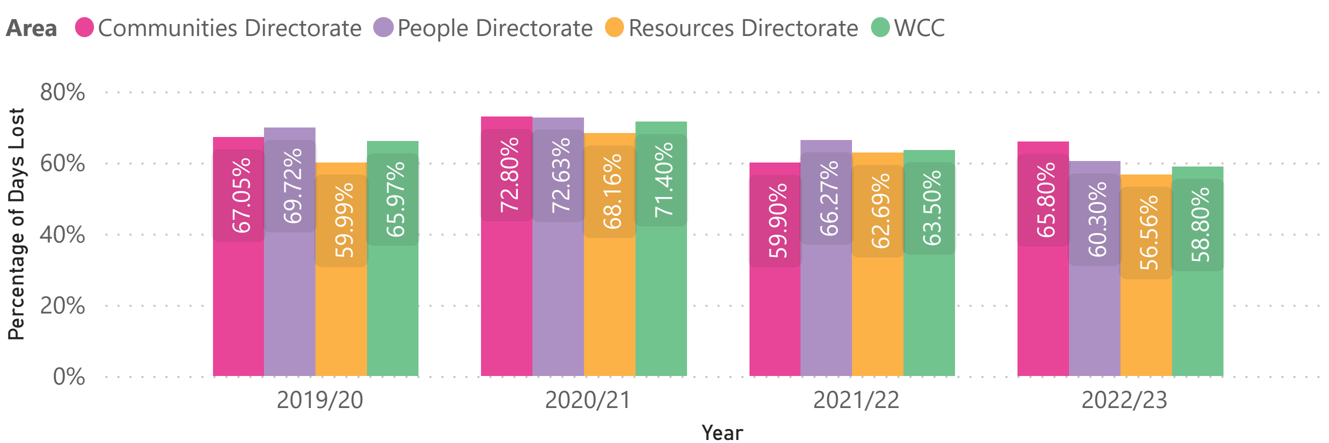
Absence

% days lost to short term absence



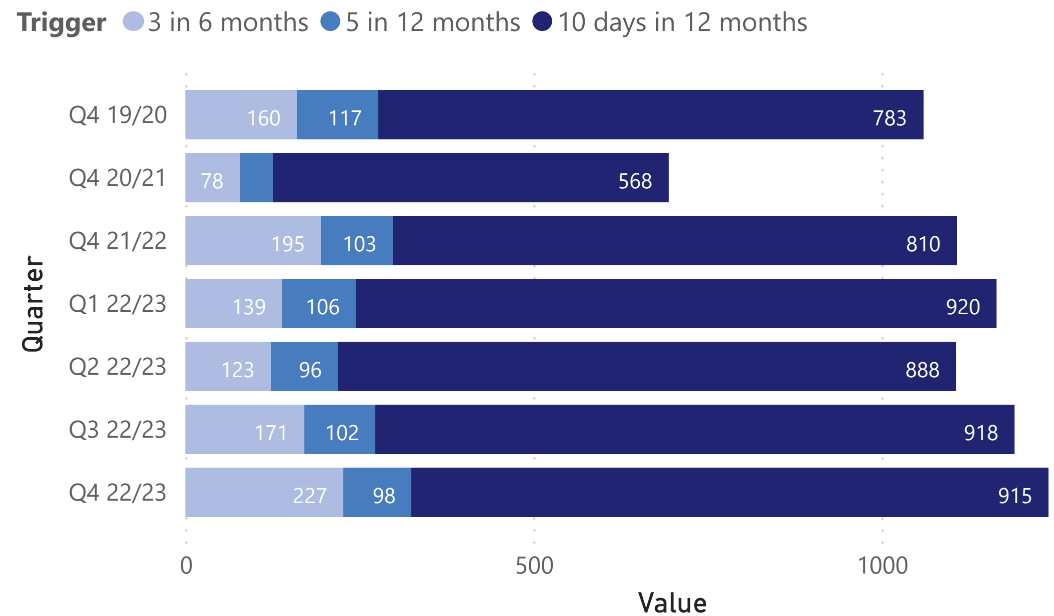
The percentage of days lost to short term absence has increased since 2020/21 and is at its highest in 2022/23. There has been an increase in all Directorates.

% days lost to long term absence

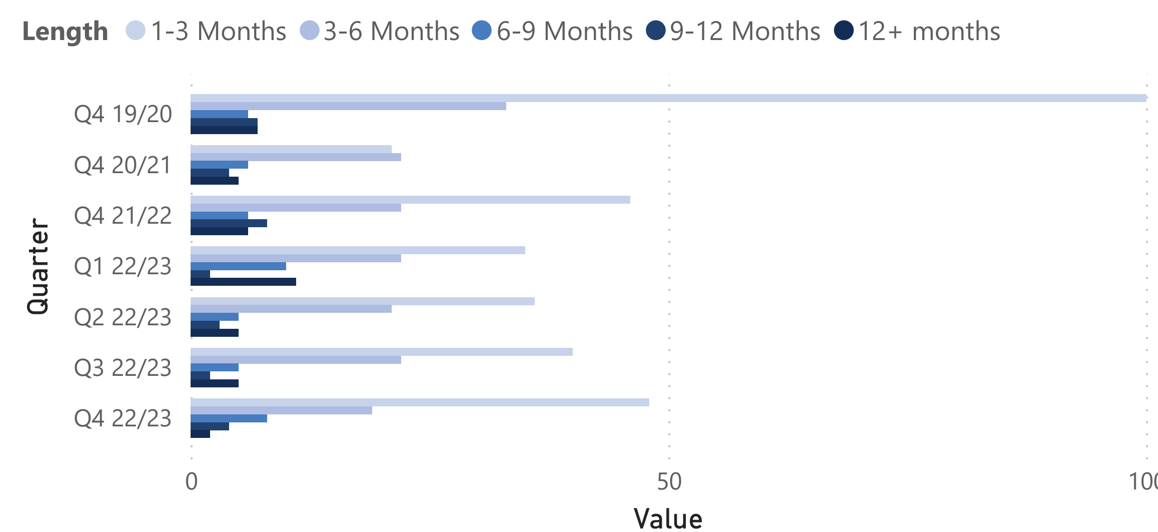


The percentage of days lost to long term absence has decreased since 2020/21 for WCC overall and is at its lowest in 2022/23 at **58.8%**. All Directorates report a decrease, aside from the Communities Directorate that has had an increase from 59.9% in 2021/22 to 65.8% in 2022/23.

Number of staff hitting trigger indicators



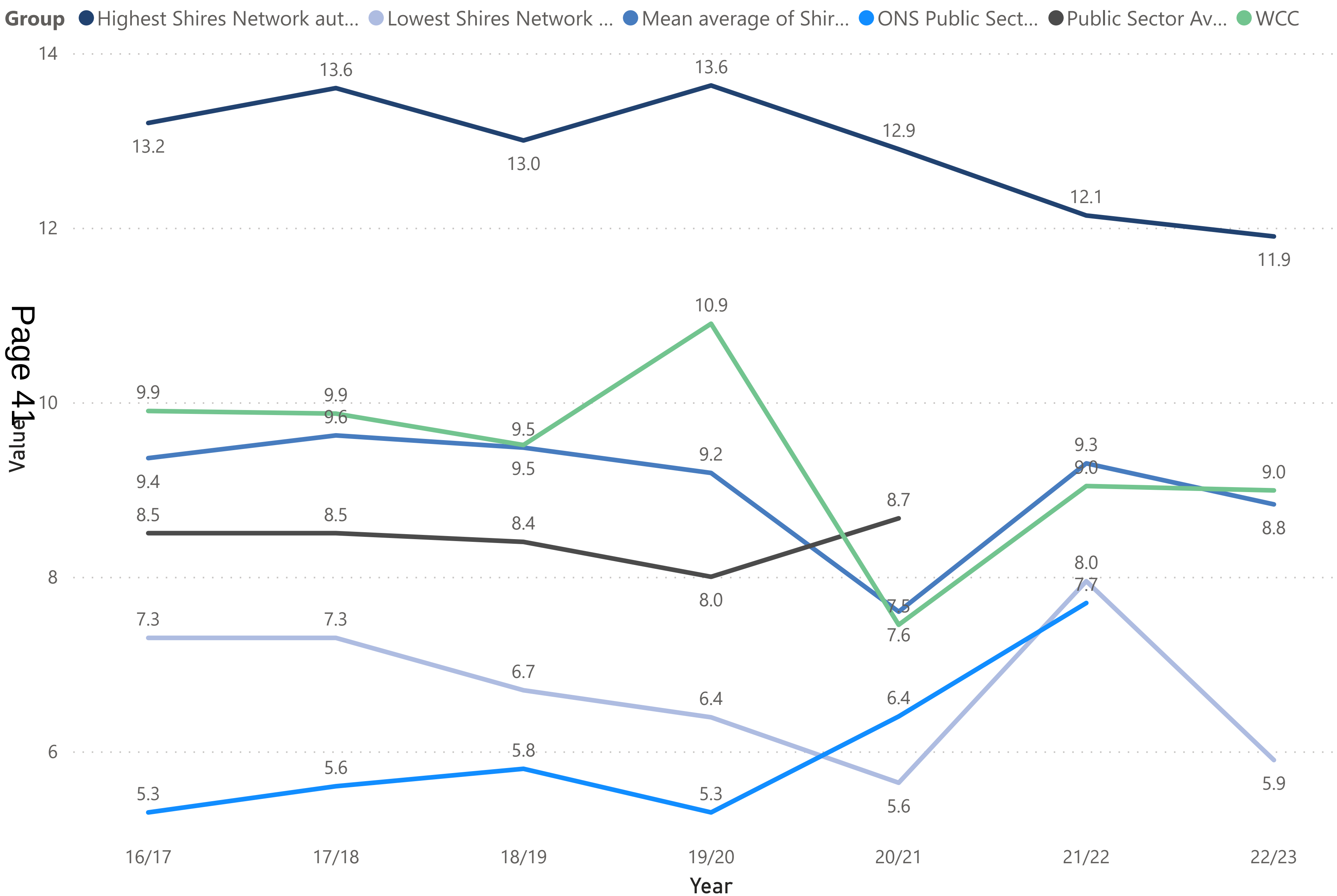
Long term absence by length



Sustainable and Resilient Workforce Annual Report 22-23

Benchmarking

Benchmark by year



Benchmark data on average days absence has been obtained from 13 local authorities across the Shire Counties network to provide comparative data. The data compares the highest, lowest and mean average against Warwickshire's annual days per FTE figure.

In terms of national statistics, there is a lag in the data available, with the most up to date data being available for 2021/2022. The CIPD no longer publish data, therefore ONS data has been included instead.

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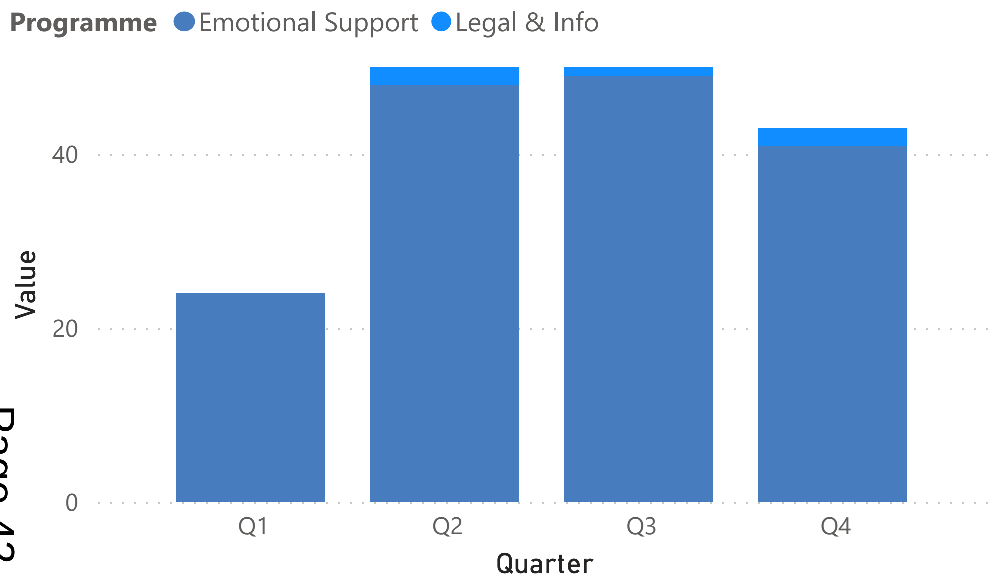
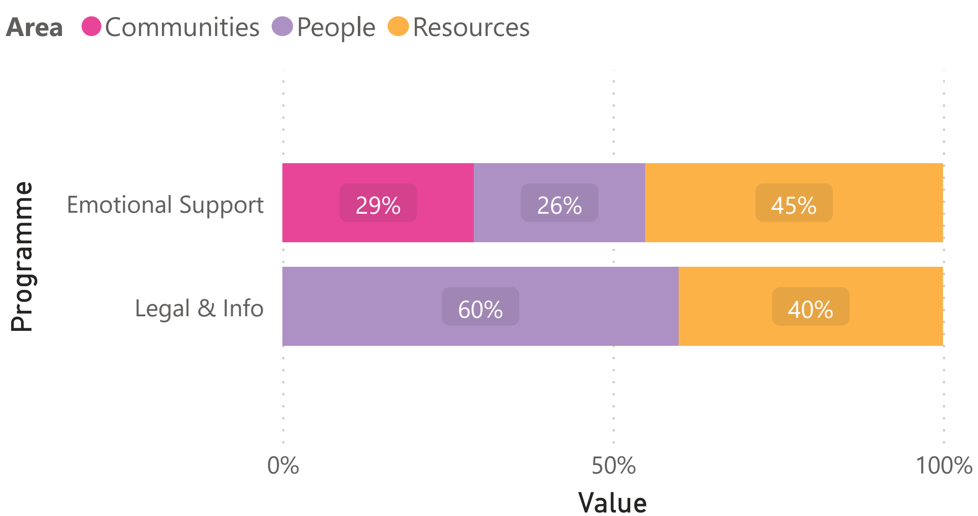
Sustainable and Resilient Workforce Annual Report 22-23

Employee Assistance Programme & Occupational Health

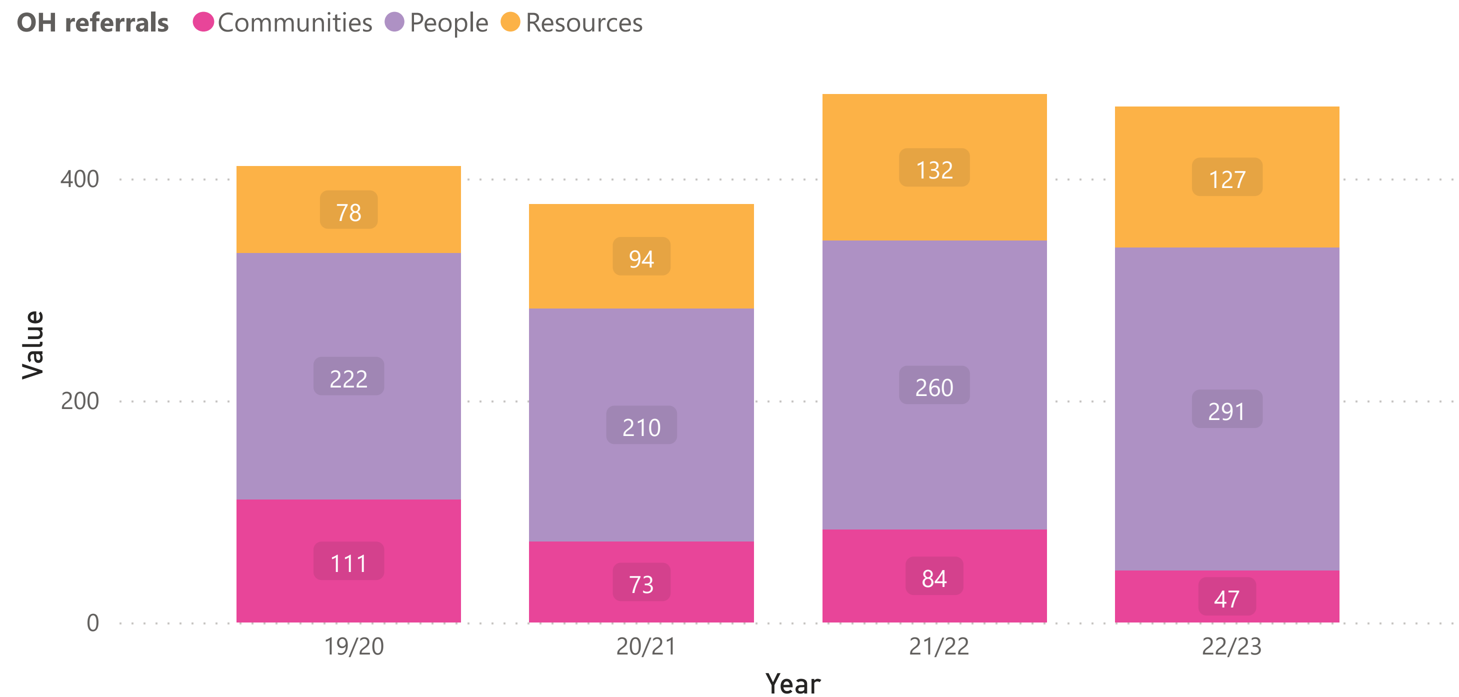
Employee Assistance Programme



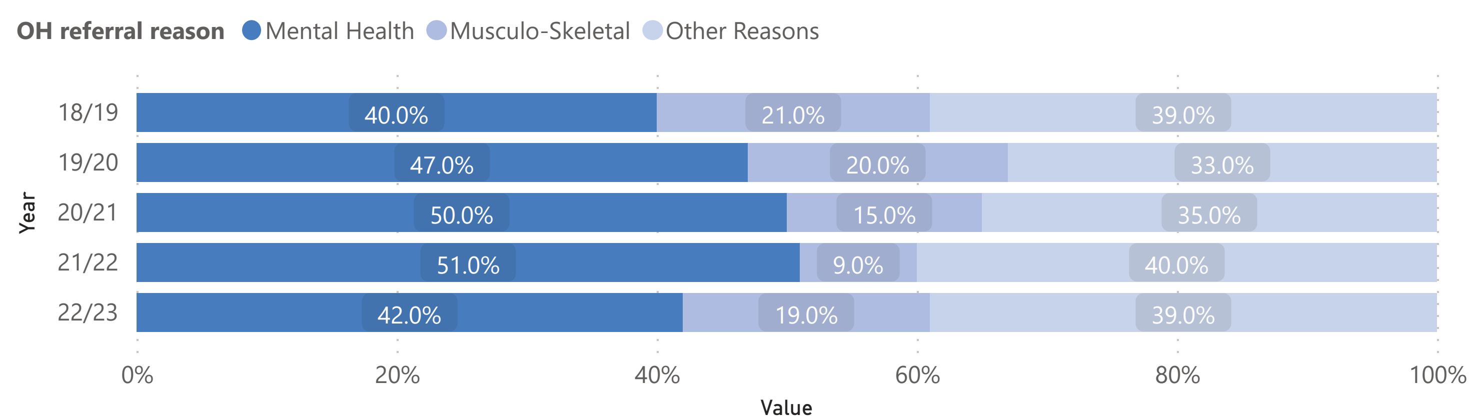
Programme by Directorate



Number of Occupational Health Referrals by Year and Directorate



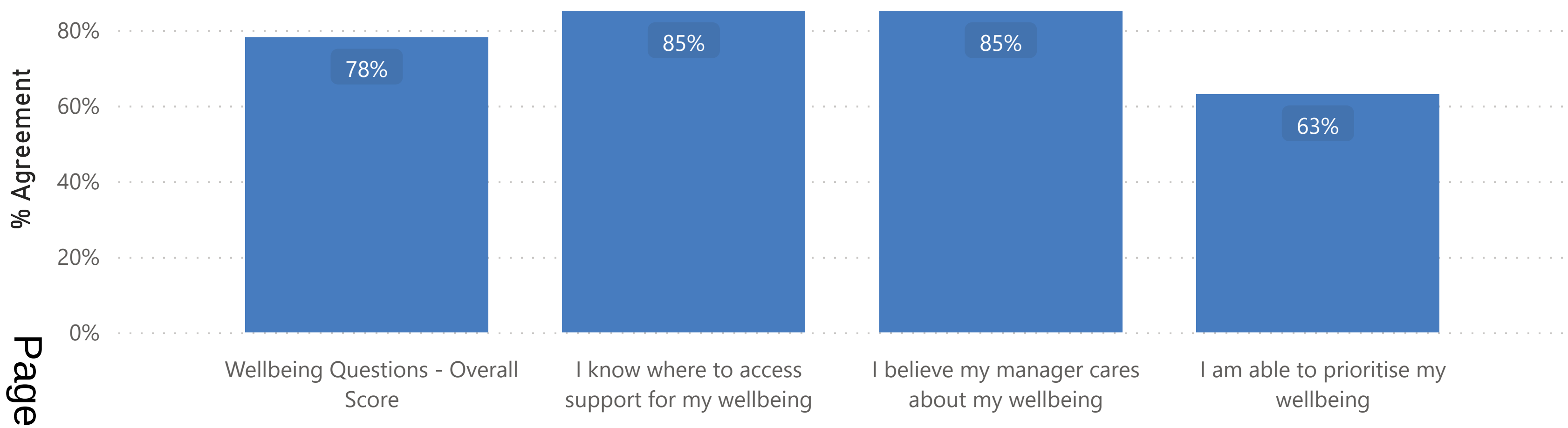
Occupational Health Referral reason by year



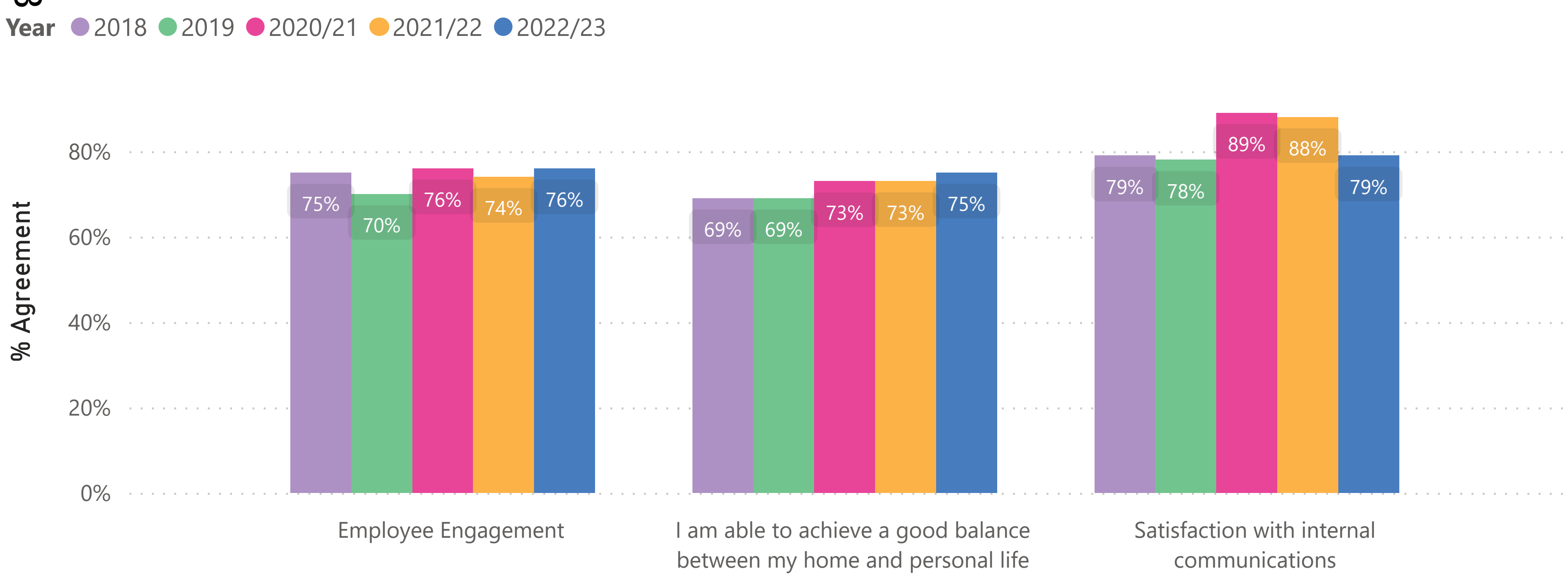
Sustainable and Resilient Workforce Annual Report 22-23

Engagement and Wellbeing

Your Say Survey Wellbeing 2022/23



Your Say Survey Engagement



Employee wellbeing and engagement has been monitored through a series of check-in surveys from April 2020 to present.

The percentage of employees that agree 'I am able to prioritise my wellbeing' is **63%**, which is lower than the overall score for wellbeing.

Both 'I know where to access support for my wellbeing' and 'I believe my manager cares about my wellbeing' is higher than the overall score for wellbeing and is **85%**.

Employee Engagement has increased from 2021/22 **(74%)** to 2022/23 **(76%)**. There was a decrease in employee engagement in 2019/20 which could relate to the impact of Coronavirus.

The percentage of employees that agree they are able to achieve a good balance between home and personal life has increased and is at its highest in 2022/23 at **75%**.

Satisfaction with internal communications has decreased from **88%** in 2021/22 to **79%** in 2022/23.

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Agenda Item 3

Staff and Pensions Committee

11 September 2023

Corporate Occupational Health and Safety Annual Review 2022/2023

Recommendations

That the Committee:

1. Endorses the Corporate Occupational Health and Safety Review 2022/23 as set out at Appendix 1.

2. Considers the performance information in relation to the Council's management of Health and Safety.

3. Considers the work in our approach to the management of Health and Safety and supports the key focus areas for 2023/2024 set out in section 4.0.

1.0 Introduction

1.1 The Annual Review attached as Appendix 1 details the work that has taken place over the last 12 months with regards to the Corporate Occupational Health and Safety and outlines:

a) The achievements in 2022/23.
b) The long term objectives progress updates and the key focus areas for 2023/2024 to take forward to support our approach to the management of Health and Safety.
c) Health and Safety performance data for 2022/23.

1.2 This report pulls out the main themes from the annual review for consideration by the Committee.

2.0 Corporate Occupational Health and Safety: at a glance:

2.1 The Health and Safety Team continues to develop the Council's approach to the management of Health and Safety, focusing on the longer-term objectives of embedding a robust health and safety culture, supported by an appropriate Health and Safety Management System to ensure that the Council maintains high standards of Health and Safety compliance to legislation.

2.2 The past year has seen many great service achievements, including:

- The safe relocation of Westgate primary school following the immediate closure of the school due to unsafe structural conditions.
- Specific training sessions provided to the Adult Social Care and Children and Families services to meet the Council's Health and Safety mandatory training requirements.
- Creation of bespoke online video training for manual handling awareness for the Library Service to effectively manage their manual handling requirements.
- Establishment of a monthly training schedule (as a result of customer feedback) to guarantee that mandatory training requirements can be fulfilled.
- Leading the tendering process for the Occupational Health (OH) and the Employee Assistance Programme (EAP) services.

2.3 Developing the Health and Safety Team's professional competence and knowledge is essential to maintaining the high levels of support and guidance given to the Council. This year the Health and Safety Team completed:

- Health and Safety Executive training in the Control of Substances Hazardous to Health (COSHH) practical assessment and control.
- Display Screen Equipment (DSE) assessor training.
- Train the Trainer training to deliver Health and Safety courses.
- Consortium Local Education Authorities Provision of Science Services (CLEAPSS) which included auditing Design & Technology and Food Technology department training.
- Health and Safety Executive mental health focused training.
- Mental Health first aid courses.
- Health and Safety professional network events at the NEC Birmingham as well as the required Institution of Occupational Safety and Health (IOSH) career professional development.

2.4 The Council's aspirational objective is to consistently strive towards a vision zero approach to work-related injuries and causes of ill health. The quality and accuracy of the data plays a crucial role in identifying areas of increased risk, which are reported to each Directorate in their quarterly performance reports.

2.5 Based on the available performance data we have no significant concerns regarding accident/incident reporting. The number of Reporting of Infections, Diseases and Dangerous Occurrences Regulations (RIDDOR) incidents remains low and in line with pre-pandemic levels. Whilst there has been an increase in the number of corporate incidents reported this can be linked to the focus of DLTs on Health and Safety through the quarterly reporting process. We have also seen an increased emphasis on near miss reporting which is a positive indicator in terms of developing a positive health and safety culture. Slips, Trips and Falls continue to be the main cause of injury in relation to work related accidents/incidents and the Team continues to work with DLTs to minimise these.

3.0 Corporate Health and Safety Performance Data

3.1 The Health and Safety Team has successfully completed the analysis of the available data to provide the below insights on the Council's overall annual Health and Safety performance.

3.2 There was a slight increase in RIDDOR incidents this year, which are now comparative to pre-pandemic numbers, with 7 of the 149 corporate incidents requiring a formal legal notification to the Health and Safety Executive (HSE) under RIDDOR regulations. All RIDDOR incidents are investigated as serious events jointly by the Health and Safety Team and the manager responsible. All resulting root causes of serious events have been identified and control measures implemented.

3.3 RIDDOR incidents in schools saw a decrease from 16 in 2021/22 to 7 this year which is a positive step towards reducing these further in the coming year.

3.4 All injury incidents are reported to the relevant line managers/schools for investigation and the implementation of actions and recommendations are monitored to prevent similar incidents recurring.

3.5 The number of near misses recorded (Corporate and Schools) show a positive increase from 66 in 2021-2022 to 171 this year, which is comparative to pre-pandemic records. The Health and Safety Team has been communicating the benefits of near miss reporting throughout the year and this has seen a positive increase in near miss reporting, indicating that the organisation is improving in its safety culture and staff are becoming more comfortable with reporting hazards rather than ignoring them. It is important therefore that we continue to monitor any changes in this positive data to ensure we are identifying emerging trends.

3.6 There has been a slight increase in the total recorded accidents and incidents (excluding schools) from 194 incidents in 2021-2022 to 219 this year.

3.7 Of the 219 corporate incidents recorded on the Council's current database, 149 reported a personal injury resulting from a work placed incident (84 FTE employees and 65 non-employees).

3.8 In the school setting, there was a slight decrease in the total number of recorded accidents and incidents from 794 in 2021-22 to 721 this year. Out of the 721 school incidents recorded, 678 reported a personal injury resulting from a work placed incident (318 FTE employees and 360 non-employees).

3.9 Incidents involving Slips, Trips, and Falls in the workplace continue to be the top identified cause for injuries in the corporate workplace. Corporate records show a 31% increase from 48 reported in 2021-2022 to 63 reported in 2022-23. The data indicates that the numbers of Slips, Trips and Falls is still higher than would be desirable (working on an aspirational zero incident level), as previously the increased levels may be down to increased reporting but also to continuing increased use of Council buildings. The work to improve risk awareness through learning continues and the number of incidents of this type will continue to be monitored and reported accordingly to the Directorate teams on a quarterly basis for action.

3.10 Incidents involving violence to school staff from pupils continues to be the top identified cause for injuries in the school setting with 202 incidents recorded. Schools continue to record high numbers of incidents of violence against staff compared to the rest of the organisation, with the numbers remaining high over the last 3 years (excluding pandemic lockdowns between 2020-2021). All incidents were reported to the relevant line managers to investigate if further control measures could be successfully implemented to help reduce this number.

3.11 Health and Safety claim payments for 2022-2023 totaled £207,000 with a further £923,000 payments estimated as outstanding. (*Claim payments in 2022-2023 may include claims submitted in previous years).*

Definitions:

RIDDOR: Reporting of Infections, Diseases and Dangerous Occurrences Regulations.

Accidents / Incidents: Are unplanned events that result in the injury or ill health of an employee or a member of the public or have enough significant risk to merit recording and investigation.

Near Miss: Any event that could have resulted in injury, damage or loss but did not on this occasion but could in the future.

4.0 Looking Forward – Key Focus Areas for 2023-2024

4.1 Embed the new Corporate Health and Safety Commitment Statement at all levels of the Council.

4.2 Improve awareness of Health & Safety roles, responsibilities, and accountability of all employees in line with the changing working environments, through existing and new communication channels.

4.3 Ensure that Health and Safety performance is openly discussed at Quarterly Directorate leadership meetings.

4.4 Continue to develop ISO 45001 as the Council's standard for Occupational Health and Safety and take an integrated systems approach pulling in the most relevant and useful elements of international standards that add value to the Council.

4.5 Ensure that the Council can demonstrate that it meets Occupational Health and Safety standards and that all significant risks are recorded on a Corporate Health and Safety Risk Register with control measures that are sufficiently in line with legislation.

4.6 The Council will set a schedule of compliance audits and workplace inspections focused on identifying significant risks and opportunities for improvements with each Directorate and set annual Health and Safety objectives.

4.7 The Council will continue to develop the quality of Health and Safety data to provide each Directorate with improved visibility of health and safety performance and clearer insights into inspections, actions and remediations as part of their Quarterly Health and Safety Performance reports.

4.8 Making use of existing channels of communication, the Council will regularly communicate Health and Safety information that is beneficial and appropriate for employees to remain healthy and safe.

4.9 Develop customer feedback and reporting channels to encourage increased reporting on matters of Health and Safety.

5.0 Conclusions

5.1 The focus areas for 2023-2024 outline the work that will be undertaken as part of the Council’s wider objectives to build a safe and healthy workforce and build a safety culture that is committed to safety and safer outcomes. This includes improving the Council's systems for managing Health and Safety so that everyone understands what they need to do to stay healthy and safe. We will also aim to enable greater discussion of health and safety which in turn will have a positive impact on the key performance indicator figures, such as numbers of accidents/incidents and near misses.

6.0 Financial Implications

None

7.0 Environmental Implications

None

8.0 Timescales associated with the decision and next steps

Not Applicable

Appendix

Appendix 1 - Focus on Occupational Health & Safety Annual Review 2022/2023

Background Papers

None

	Name	Contact details
Report Authors	Gary Summerfield, Health & Safety Technical Specialist Marina Fraser-Ryan, Delivery Lead People Relations	garysummerfield@warwickshire.gov.uk marinafraserryan@warwickshire.gov.uk
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Executive Director	Rob Powell, Executive Director for Resources	robpowell@warwickshire.gov.uk
Portfolio Holder for Customer and Transformation	Councillor Yousef Dahmash	yousefdahmash@warwickshire.gov.uk

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OUR PEOPLE

Focus on Occupational Health & Safety

Annual Review **2022/2023**

Warwickshire County Council, a place that promotes a safe and healthy work environment keeping our people healthy and safe, every day at work.

At a glance

1. The Health & Safety team continue to develop the Council's approach to the management of Health & Safety, focusing on the longer-term objectives of embedding a robust Health & Safety Culture, supported by an appropriate Health & Safety Management System to ensure the Council maintains high standards of Health & Safety compliance to legislation.

1.1 The past year has seen many great service achievements, including.

- The safe relocation of Westgate primary school following the immediate closure of the school due to unsafe structural conditions.
- Specific training sessions provided to the Adult Social Care and Children and Families services to meet the Council's Health & Safety mandatory training requirements.
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1.2 Developing the Health & Safety team's professional competence and knowledge is essential to maintaining the high levels of support & guidance given to the Council. This year the Health & Safety team completed:

- Health & Safety Executive training in the Control of Substances Hazardous to Health (COSHH) practical assessment and control.
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- Health & Safety professional network events at the NEC Birmingham as well as the required Institution of Occupational Safety and Health (IOSH) career professional development.

2. The Council's aspirational objective is to consistently strive towards a vision zero approach to work-related injuries and causes of ill health. The quality and accuracy of the data plays a crucial role in identifying areas of increased risk, which are reported to each Directorate in their quarterly performance reports.

2.1 Based on the available performance data we have no significant concerns regarding accident/ incident reporting. The number of RIDDOR's remains low and in line with pre- pandemic levels. Whilst there has been an increase in the number of corporate incidents reported this can be linked to the focus of DLT's on Health & Safety through the quarterly reporting process. We have also seen an increased emphasis on near miss reporting which is a positive indicator in terms of developing a positive Health & Safety culture. Slips, Trips & Falls continue to be the main cause of injury in relation to work related accidents/incidents and the team continue to work with DLT's to minimise these.

At a glance

2.2 The Health & Safety team have successfully completed the analysis of the available data and provide the below insights on the Council's overall annual Health & Safety performance.

- There was a slight increase in RIDDOR incidents this year, which are now comparative to pre-pandemic numbers, with 7 of the 149 corporate incidents requiring a formal legal notification to the Health & Safety Executive (HSE) under the RIDDOR regulations. All RIDDOR incidents are investigated as serious events jointly by the health and safety team and the manager responsible. All resulting root causes of serious events have been identified and control measures implemented.

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- Of the 219 corporate incidents recorded on the Council's current database, 149 reported a personal injury resulting from a work placed incident (84 FTE employees and 65 non- employees)

- In the school setting, there was a slight decrease in the total number of recorded accidents and incidents from 794 in 2021-22 to 721 this year. Out of the 721 school incidents recorded, 678 reported a personal injury resulting from a work placed incident (318 FTE employees and 360 non-employees).

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Near Miss: Any event that could have resulted in injury, damage or loss but did not on this occasion but could in the future.

Through the later end of 2020, the Council refreshed it's Our People Strategy, to drive through the vision of Warwickshire County Council, a great place to work where diverse and talented people are enabled to be their best.

Embodying our Values and Behaviours, the Our People Strategy is built on 6 building blocks:

Our behaviours

Our behaviours were first introduced in 2016 and these haven't changed. Our behaviours frame how we should behave at work. They help us to understand how we should go about our work and the way we should interact with each other and our customers.

To support the achievement of our vision, five key organisational values have been identified:

High performing | Collaborative | Customer focused | Accountable | Trustworthy

Jur People Strategy building blocks

he building blocks provide the foundations for the delivery of Our People Strategy vision. We have identified six key building blocks:

or each building block we have a clear set of outcomes we need to achieve so that we can fulfill our vision and transform as an organisation in a ay which is sustainable.

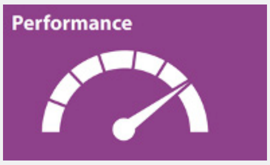
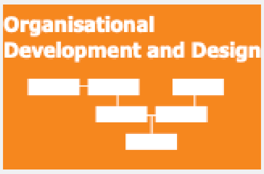
One of the main enablers of the Our People Strategy is that **"We will listen, learn and act to create an inclusive organisation with a sustainable and resilient workforce."** in order to do this, keeping our people safe and healthy and at work remains a key priority.

Aims and Objectives

For each building block, the Council has a clear set of Health & Safety outcomes to achieve in order to fulfil the Council's commitments to Health & Safety.

Throughout the annual review, we have used Our People Strategy building block icons to help the reader connect the stories we tell with our Health & Safety objectives.

Aims and Objectives

Our People Building Blocks	Theme	Outcomes
	**Develop management systems that continue to support and strengthen the Council's Health & Safety culture**	• Publish new Corporate Health & Safety Policy • Align all Health & Safety data to improve leadership insights • Identify risks through audits and inspections • Align all Health & Safety data to improve leadership insights • Turn collected data into actions and remediation, track actions, compliance accountability and reporting on progress to leadership • Unify corporate and operational risk to improve visibility and spot trends to proactively implement corrective and preventative actions
	**Develop management systems that continue to support and strengthen the Council's Health & Safety culture** **Develop technology based systems that continue to support and strengthen the Council's Health & Safety Culture**	• Adopt ISO 45001 as the standard for Occupational Health and Safety, and take an integrated system approach pulling in the most relevant and useful elements of international management standards • Ensure the Council can demonstrate it meets Occupational Health & Safety standards and that all significant risks are recorded on a corporate Health & Safety risk register with control measures that are sufficiently in line with legislation. • Explore the Implementation of new technology to allow effective management of Health & Safety through improved visibility of performance and by providing insight into inspections, actions and remediation

	**Develop the Council's Health & Safety Culture**	• Develop revised roles and responsibilities in line with changing working environments • Ensure Health & Safety is openly discussed and considered in decision making processes
	**Develop the Council's Health & Safety culture**	• Communicate Health & Safety information that is beneficial and appropriate for employees to remain healthy and safe • Develop customer feedback and reporting channels to encourage increased reporting on matters of Health & Safety • Promote communication and engagement channels that encourage all our people to speak openly and honestly on Health & Safety matters • Work with partners across the Council, the Health & Safety team will continue to explore new communication channels for Health & Safety information and align with the Council's Wellbeing agenda

Looking Back

The Council set the following priorities for 2022/2023

Develop the Council's Health & Safety Culture

The Council will continue to develop the core cultural values that define the Council's principles for managing Health and Safety.

The Council will continue to gather better performance data to enable the Council to benchmark performance with comparators. Benchmarking the Council's performance with public sector comparators will be essential to measuring the Council's success and setting the Council's own achievable measurable targets. Working with professional peers across similar size Council's the Health & Safety team continue reviewing ways this can be continually improved.

Develop Management Systems that continue to support and strengthen the Council's Health & Safety Culture

The Council will continue to build a Health & Safety management system to meet ISO international Health & Safety management standards.

The Council will set and measure corporate and directorate Health & Safety targets.

The Council will continue to develop and test ways to share performance data and look at new opportunities to communicate and engage with all our people on where the Council is relative to where the Council wants to be.

Working with partners across the Council the Health & Safety team will continue to explore new communication channels for Health & Safety information and align with the Council's Wellbeing agenda.

The Council will continue to promote communication and engagement channels that encourage all our people to speak openly and honestly on Health & Safety matters.

Progress Update

Developing the Council's Health & Safety Culture

Accountable

Our progress so far, we have

- Developed the Council's Health & Safety Policy for publication in Autumn 2023 outlining the Council's assurances to maintain a Healthy & Safe workplace in line with current legislation.
- Re-defined Roles, Responsibilities and Accountabilitie for Health & Safety to improve awareness throughout the Council's structure for publication in Autumn 2023.
- Consulted with the leadership teams to improve the Directorate quarterly performance reports to improve Health & Safety insights.
- Published Health & Safety bespoke training sessions to improve Health and Safety knowledge and competence, in addition to regularly mandatory training schedules.
- Communicated the Council's post covid requirements, including infection and prevention control, and provided guidance for the completion of documentation to ensure legislative compliance.

Develop management systems that continue to support and strengthen the Council's Health & Safety Culture

High performing

Our progress so far, we have

- Designed the Health & Safety compliance portal/channel on the Council's internal property portfolio database (AtlasWeb) to record Health and Safety reports and improve access to Health & Safety information.
- Worked in partnership with key stake holders on the Council's HROD policy reviews to maintain a consistent approach to design and language, including the Council Health & Safety Policy register.
- Launched in partnership with the Councils' insurance team, a new externals supplier to complete statutory equipment inspections and subsequent certification certificates to ensure equipment remains safe for use.
- Identified service level key performance targets as part of the HROD delivery measures.
- Worked inpartnership with Council colleagues across HROD to improve automated notifications for mandatory Health & Safety training using the Council's internal learning management system (Learning Hub).
- Delivered the annual management of Health & Safety audit programme to each directorate to improve co-operation and collaboration.
- Launched the new Directorate Quarterly Health & Safety performance figures to measure accident and incident rates in each Directorate.
- Explored the implementation of technology to improve our customers' interaction with Health & Safety information, improve efficiency in the way customers can report on matters of Health & Safety and most importantly to maximize the analysis of Health & Safety data to identify areas where proactive management can benefit the reduction of accidents and injuries.

Looking Forward

Key focus areas for 2023/2024

- Improve awareness of the Health & Safety roles, responsibilities, and accountability of all employees in lines with the changing working environments, through existing and new communication.
- Embed the new Corporate Health & Safety Commitment Statement at all levels of the Council.
- Continue to develop ISO 45001 as the Councils standard for Occupational Health and Safety and take an integrated systems approach pulling in the most relevant and useful elements of international standards that add value to the Council.
- Ensure the Council can demonstrate it meets Occupational Health & Safety standards and that all significant risks are recorded on a corporate health & safety risk register with control measures that are sufficiently in line with legislation.
- The Council will set a schedule of compliance audits and workplace inspections focused on identifying significant risks and opportunities for improvements with each Directorate and set annual Health & Safety objectives.
- The Council will continue to develop the quality of Health & Safety data to provide each Directorate with improved visibility of Health and Safety performance and clearer insights into inspections, actions and remediations as part of their Quarterly Health & Safety Performance reports.
- The Council will regularly communicate through the Council's existing channels on Health & Safety information that is beneficial and appropriate for employees to remain healthy and safe.
- Develop customer feedback and reporting channels to encourage increased reporting on matters of Health & Safety.

Sustainable and Resilient Workforce Annual Report 22-23

Introduction

Key Measures and Definitions

Full Time Equivalent (FTE): Full Time Equivalent relates to the number of hours an employee is contracted to work each week as a proportion of the number of hours per week defined as full-time as per contracts of employment. Thus, a full-time employee would have an FTE of 1/0 and an employee working 18.5 hours per week in a role based upon a 37 hours contract would have an FTE of 0.5

Days per Full Time Equivalent (FTE): Days per FTE relates to the number of days of sickness absence per FTE

Key Highlights

Absence has **decreased** over the last 12 months from **9.04** days to **8.99** days per FTE.

The balance between long term and short term absence is moving toward becoming more **equal**, however short term absence has increased in 2022/23 and long term absence decreased overall.

Stress and Mental Health is the top reason for absence and the days per FTE have **increased** slightly this year. The percentage of days lost to Stress and Mental Health have also **increased** in this year from **28.2%** to **30.3%**.

Coronavirus has had an impact on our absence figures this year, accounting for 11.4% and over 1 day per FTE. This has decreased from the previous year.

The number of people on long term absence and those hitting triggers has **decreased** slightly this year.

Employee engagement has increased this year to **76%**.

Warwickshire County Council, a great place to work where diverse and
talented people are enabled to be their best.

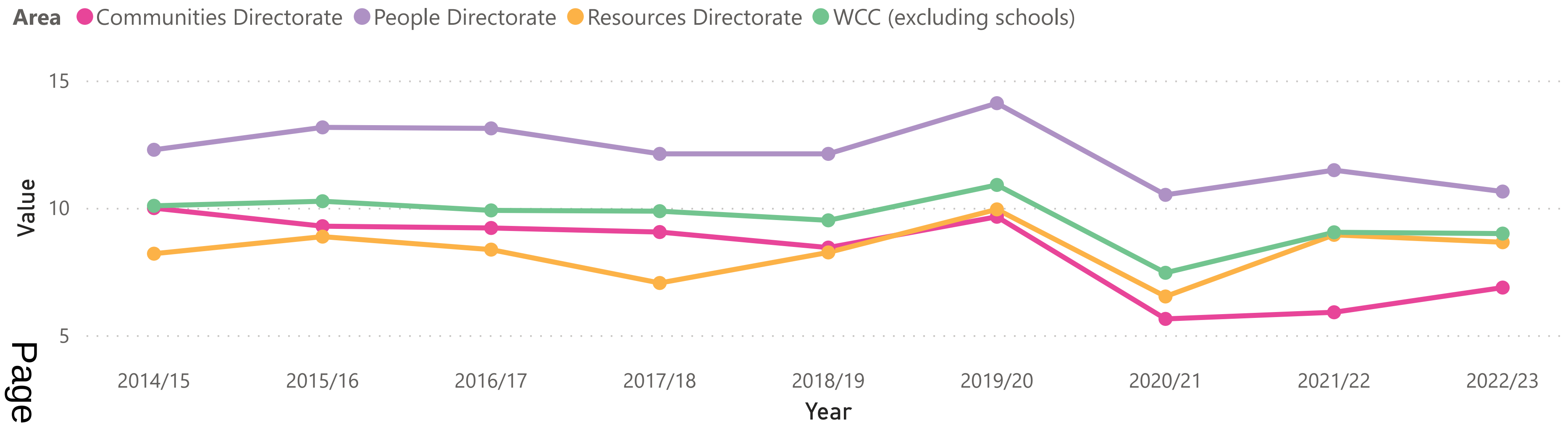
We will listen, learn and act to create an inclusive organisation with a sustainable and resilient workforce.

Warwickshire County Council

Sustainable and Resilient Workforce Annual Report 22-23

Absence

Days per FTE

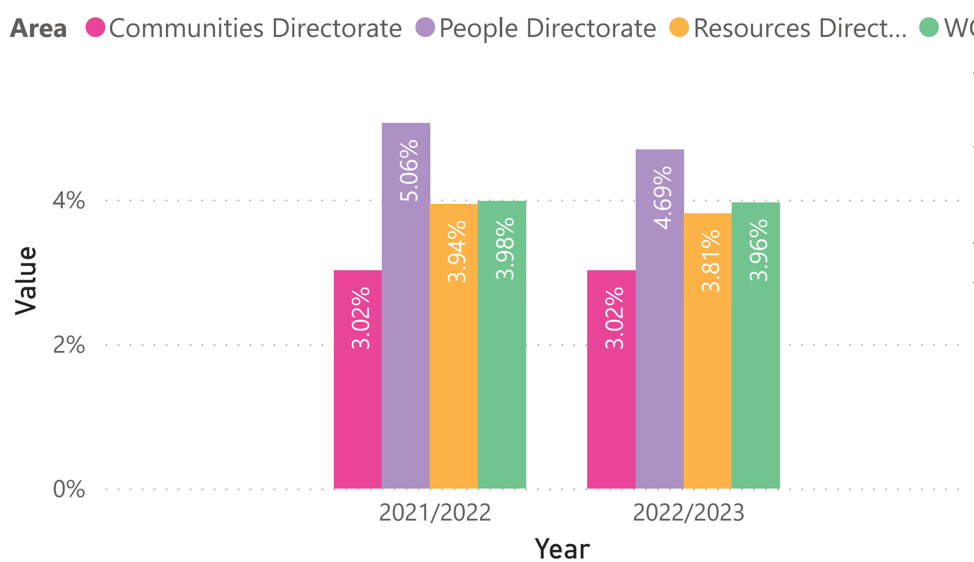


The days per FTE for WCC overall have slightly decreased from 2021/22 (**9.04** days per FTE) to 2022/23 (**8.99** days per FTE).

There has been a decrease in days per FTE in the People Directorate and Resources Directorate, however a slight increase within the Communities Directorate (**5.90** days per FTE 21/22 to **6.87** days per FTE in 22/23).

Days per FTE were highest in 2019/20 which could relate to the outbreak of Coronavirus.

Absence % of Time Lost 22/23



The percentage of time lost to absence in WCC has decreased from **3.98%** in 2021/22 to **3.96%** in 2022/23.

There has been a decrease in the percentage of time lost to absence within the People Directorate and Resources Directorate, however a slight increase within the Communities Directorate in 2022/23.

Days per FTE has **decreased**

WCC Days per FTE 21/22	WCC Days per FTE 22/23
9.04	8.99

% of staff with no absence has **decreased**

% staff with no absence 21/22	% staff with no absence 22/23
41.9%	38.3%

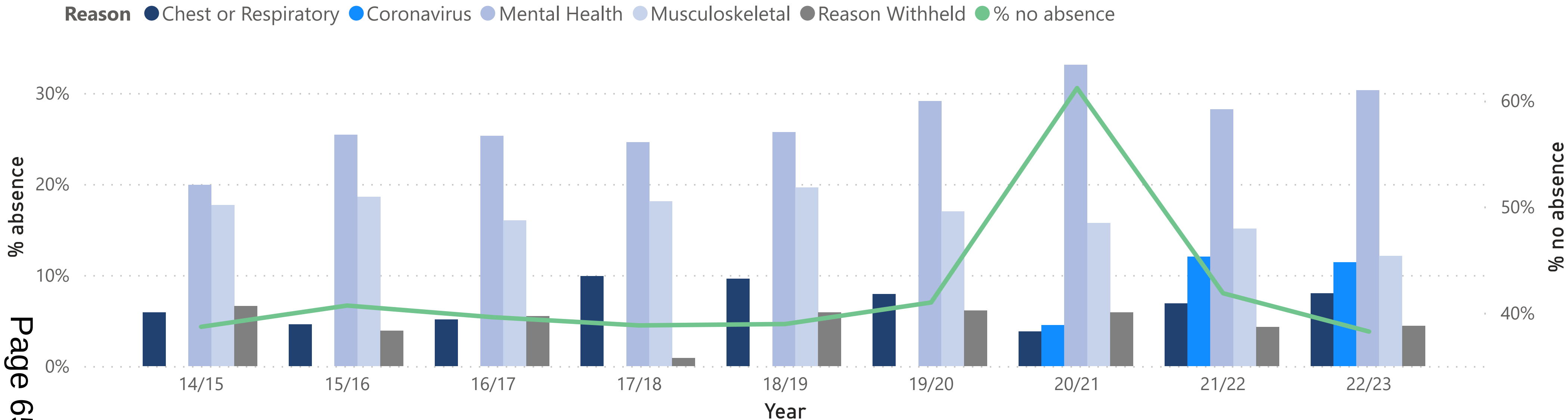
Top Sickness absence reasons 22/23

Stress and Mental Health	Musculo-skeletal	Coronavirus
30.3%	12.1%	11.4%

Sustainable and Resilient Workforce Annual Report 22-23

Absence

Top Reasons for Absence and % of all staff with no absence trend

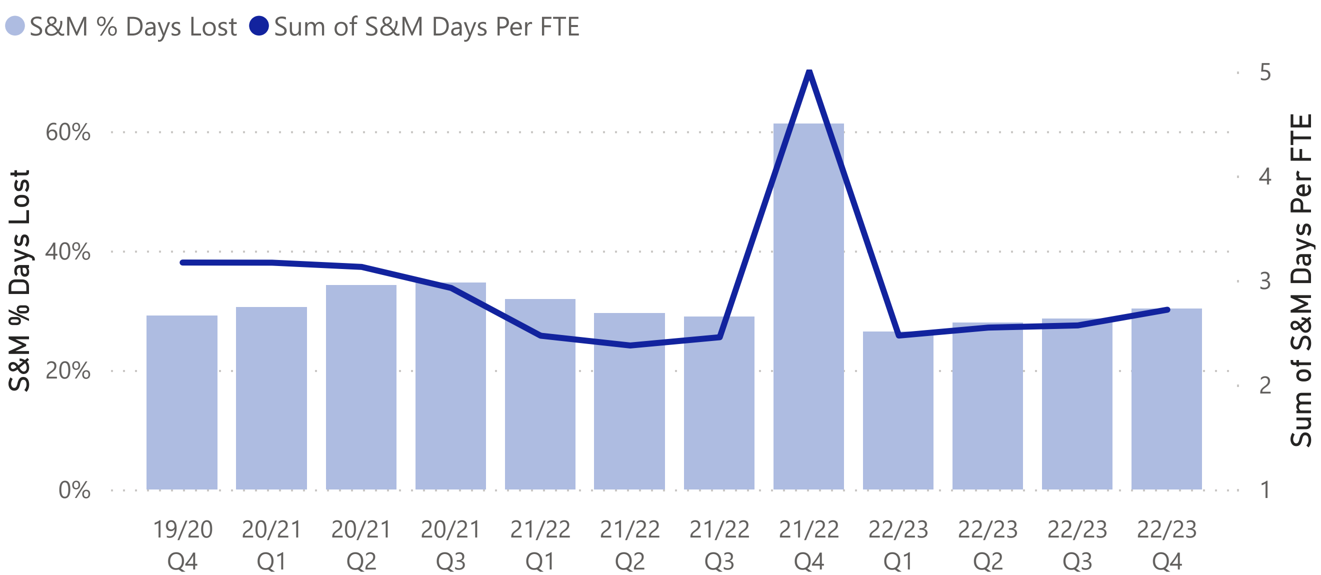


The top reason for sickness absence is Stress and Mental Health, which has increased from **28.2%** in 2021/22 to **30.3%** in 2022/23.

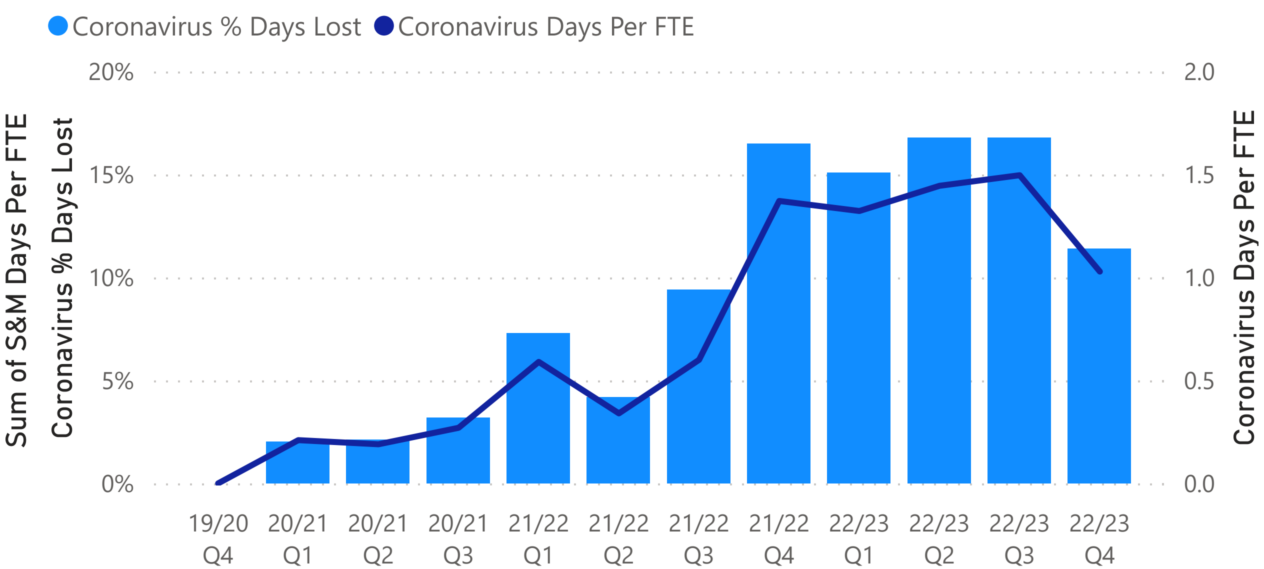
Musculoskeletal is the second cause of absence, although this has decreased from **15.1%** in 2021/22 to **12.1%** in 2022/23.

The percentage of no absence has decreased from 2021/22 from **41.9%** to **38.3%** in 2022/23.

Stress and Mental Health % of days lost



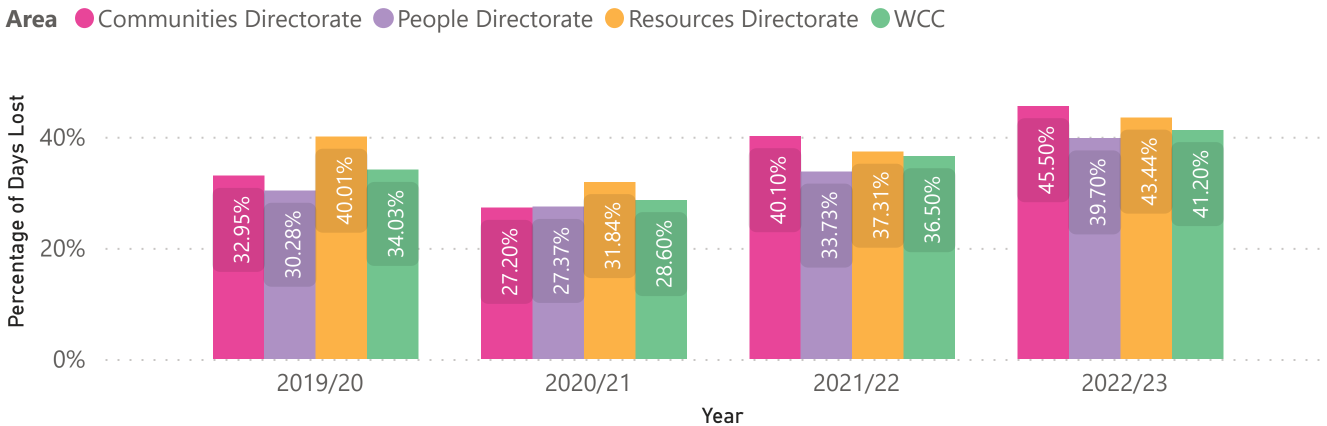
Coronavirus % of days lost



Sustainable and Resilient Workforce Annual Report 22-23

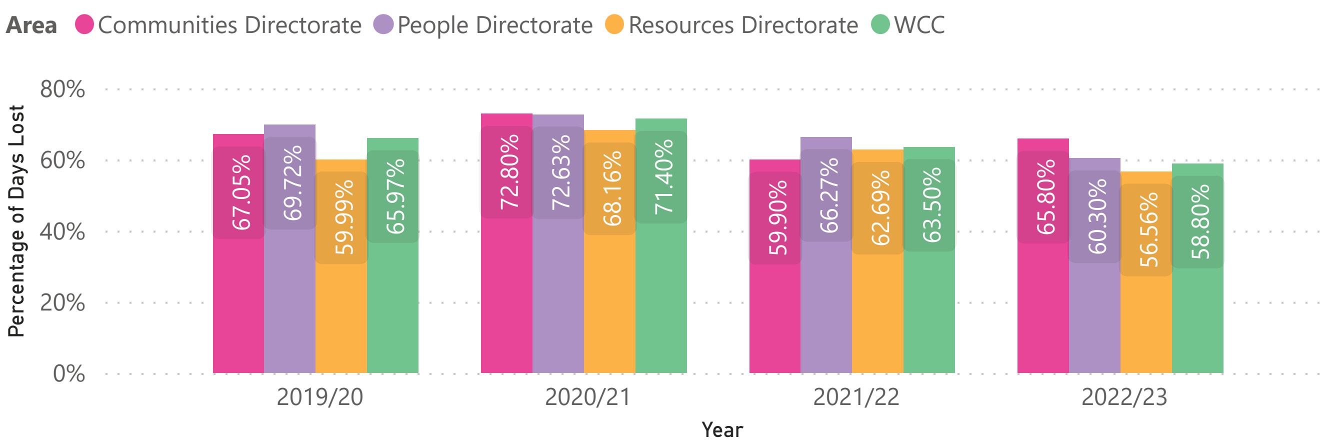
Absence

% days lost to short term absence



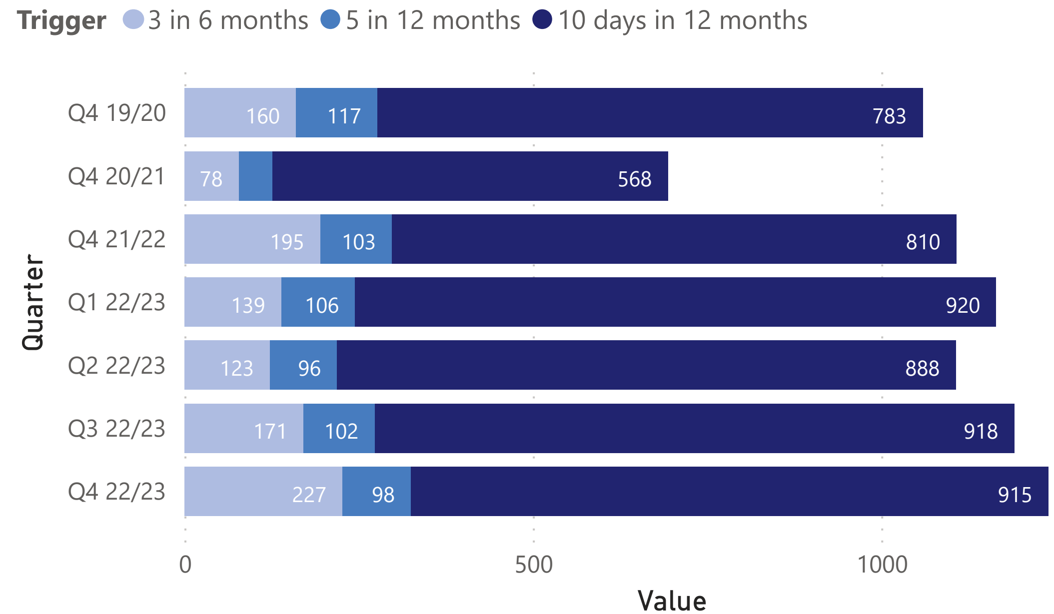
The percentage of days lost to short term absence has increased since 2020/21 and is at its highest in 2022/23. There has been an increase in all Directorates.

% days lost to long term absence

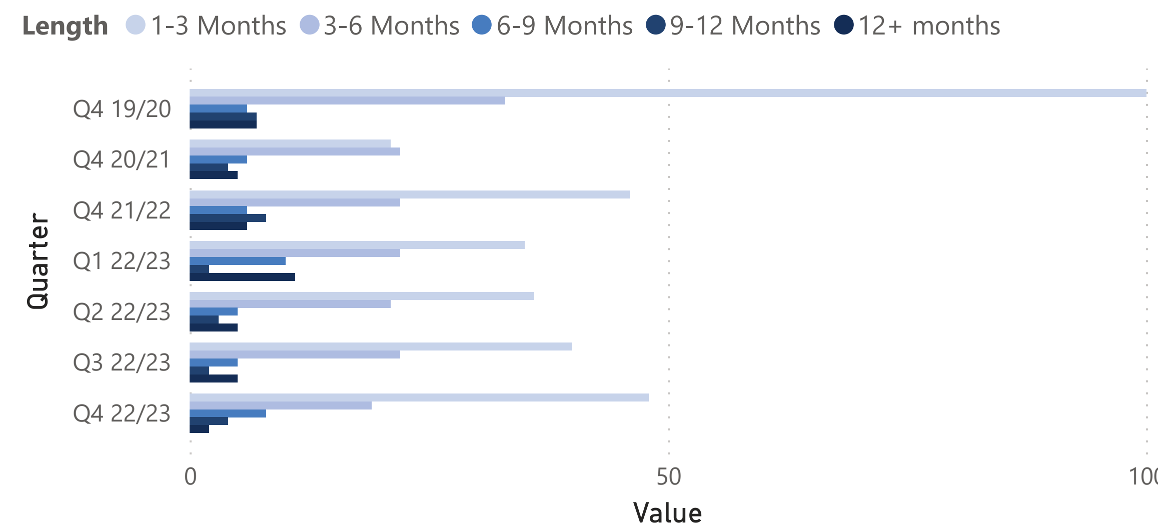


The percentage of days lost to long term absence has decreased since 2020/21 for WCC overall and is at its lowest in 2022/23 at **58.8%**. All Directorates report a decrease, aside from the Communities Directorate that has had an increase from 59.9% in 2021/22 to 65.8% in 2022/23.

Number of staff hitting trigger indicators



Long term absence by length



Health and Safety Annual Report 22-23

Accidents & Incidents

Ref: HS23 | Version: 1 | Status: Dev
For queries, contact businessintelligence@warwickshire.gov.uk
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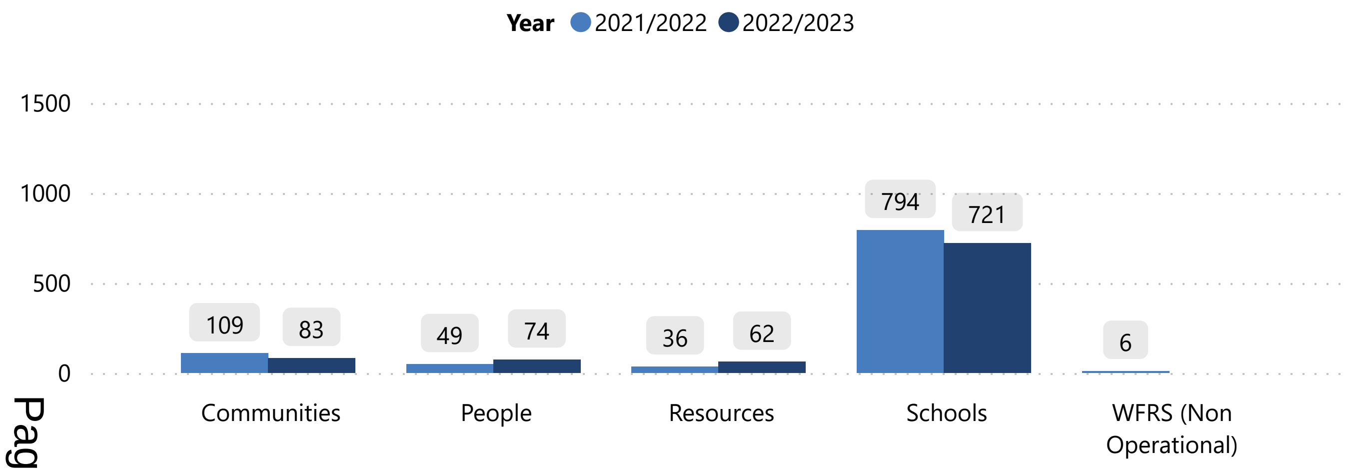
Total Accidents & Incidents by Year and Directorate



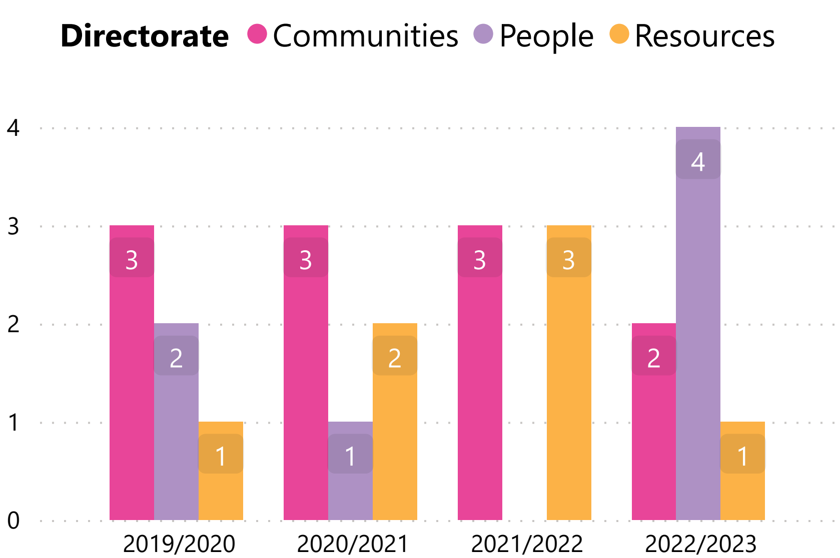
Total accidents and incidents has **decreased**

Total Accidents & Incidents in 2021/2022	Total Accidents & Incidents in 2022/2023
988	940

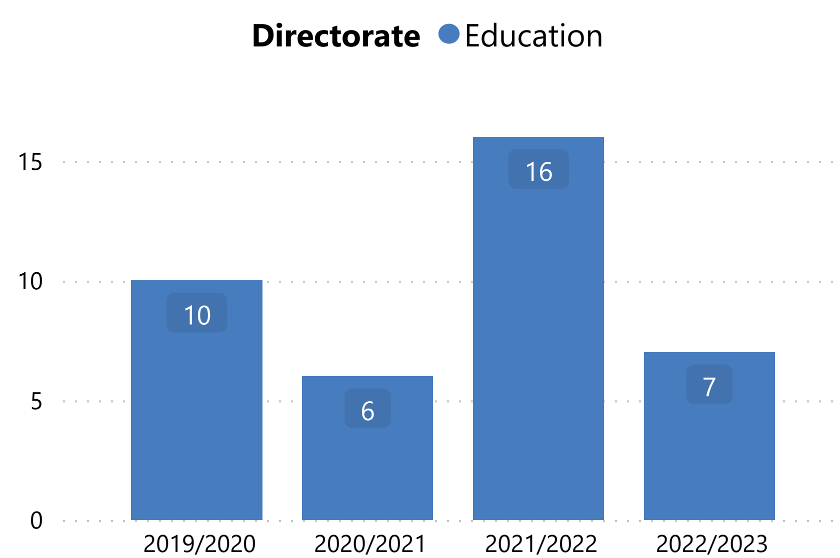
RIDDOR reportable incidents has **decreased**

RIDDOR Reportable Incidents in 2021/2022	RIDDOR Reportable Incidents in 2022/2023
22	14

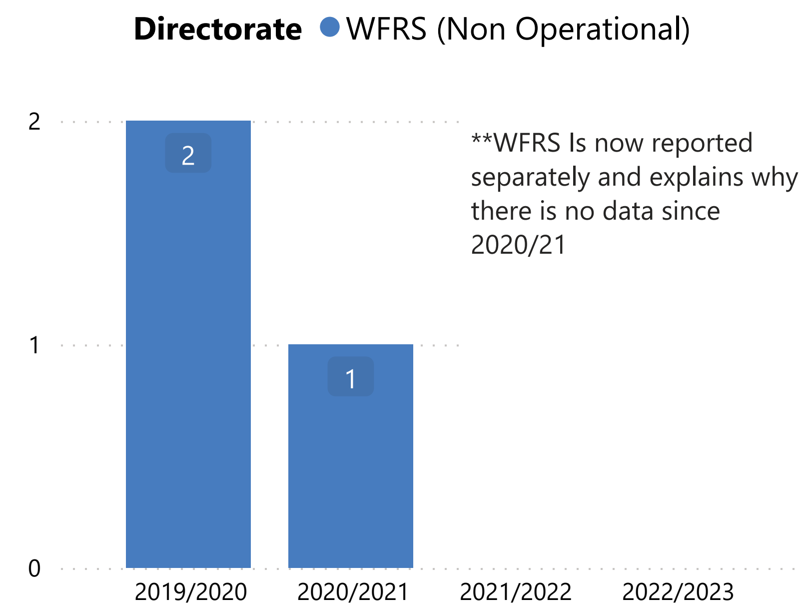
RIDDOR Reportable Incidents by Year and Directorate



Education RIDDOR Reportable Incidents by Year



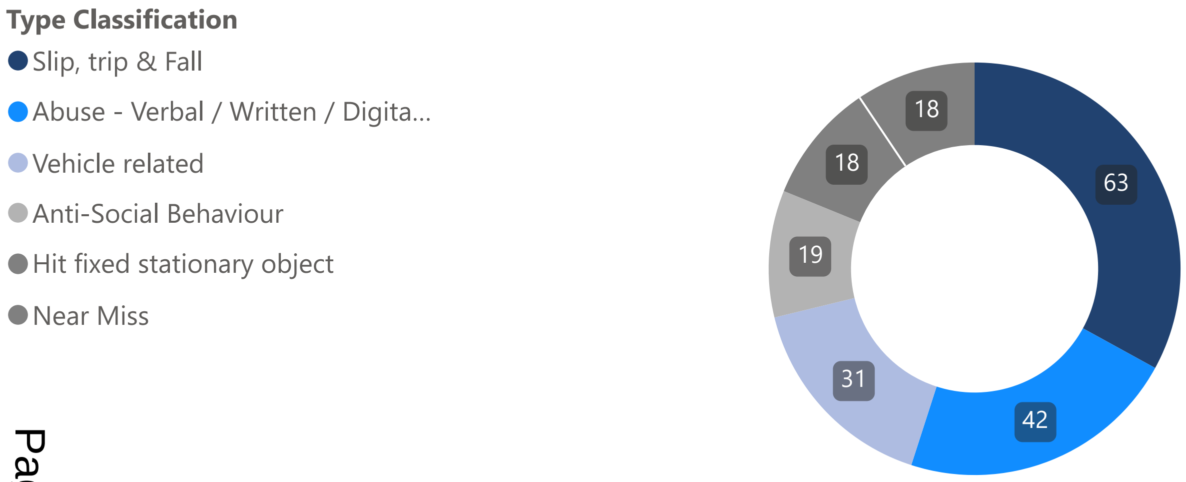
WFRS RIDDOR Reportable Incidents by Year



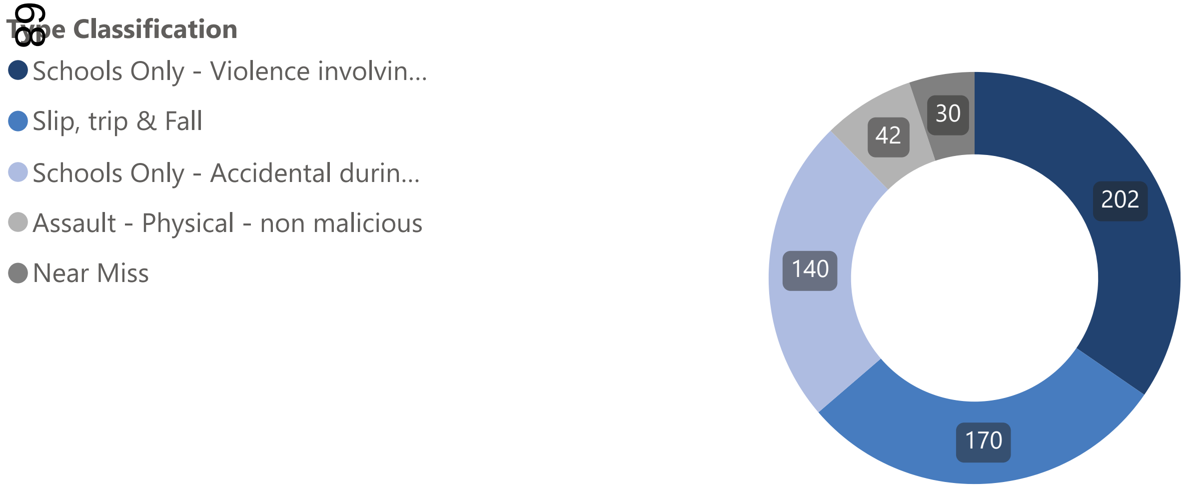
Health and Safety Annual Report 22-23

Common Causes

Corporate - Top 5 Common Identified Causes in 2022/23



Schools - Top 5 common Identified Causes in 2022/23



	Top Common Identified Causes **2022/23**	Total identified causes **2022/23**	Total identified causes **2021/22**
Corporate	Slip, trip & Fall	63	48
Schools	Schools Only - Viole...	202	222

For 2022/23 WFRS data is now reported Separately.

Health and Safety Annual Report 22-23

Pro-active risk management - near miss/near hits reported

Corporate - Near Misses/Hits 2020/21 - 2022/23

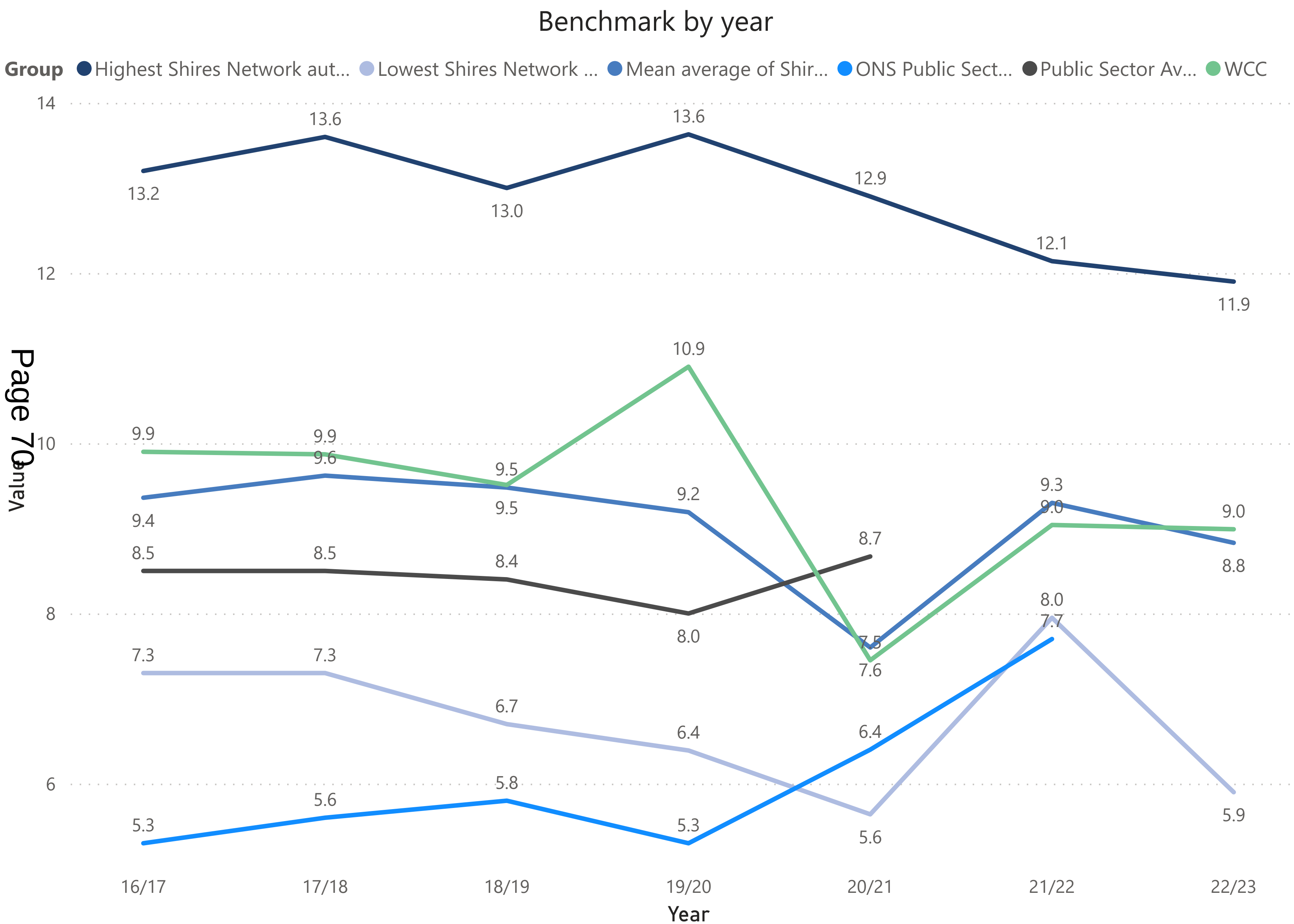
Schools - Near Misses/Hits 2020/21 - 2022/23

Fire and Rescue (Non - Operational) - Near Misses/Hits 2020/21 - 2022/23

Accidents/Incidents involving near misses/hits has increased for **Corporate** and **Schools** between 2021/22 and 2022/23 data.

The WFRS data is now going in its own separate report and therefore not supplied in this dashboard for 2022/23.

Sustainable and Resilient Workforce Annual Report 22-23
Benchmarking



Benchmark data on average days absence has been obtained from 13 local authorities across the Shire Counties network to provide comparative data. The data compares the highest, lowest and mean average against Warwickshire's annual days per FTE figure.

In terms of national statistics, there is a lag in the data available, with the most up to date data being available for 2021/2022. The CIPD no longer publish data, therefore ONS data has been included instead.

Sustainable and Resilient Workforce Annual Report 22-23
Employee Assistance Programme & Occupational Health

Ref: SRW23 | Version: 1 | Status: Dev
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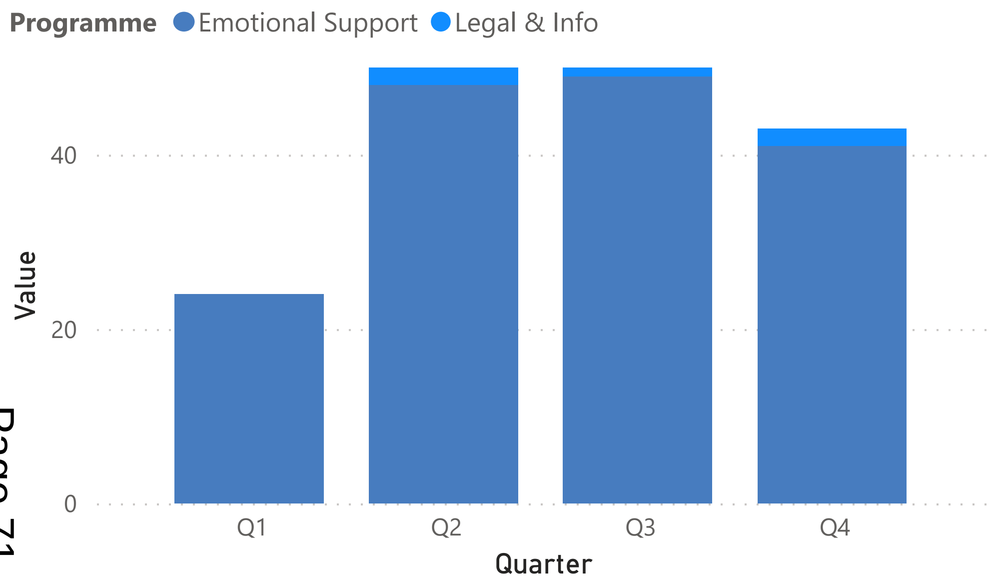
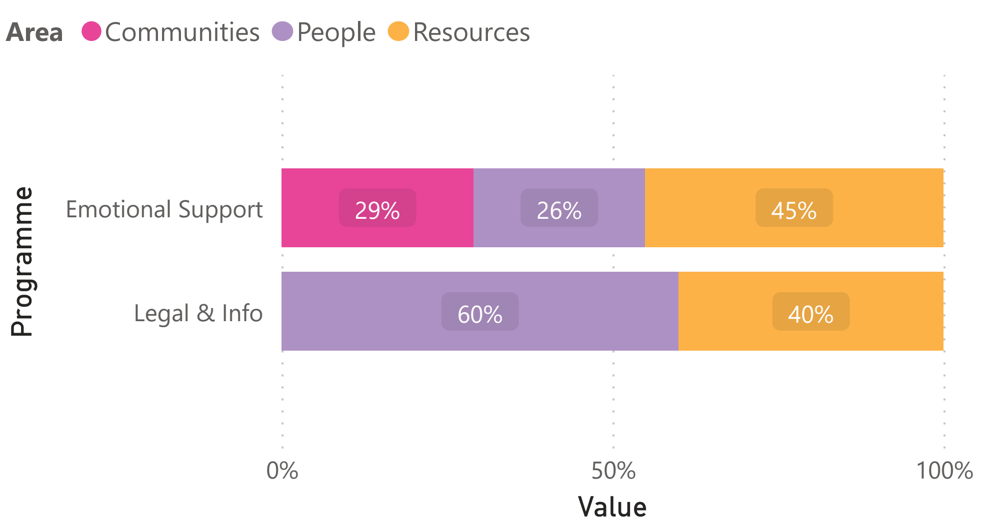
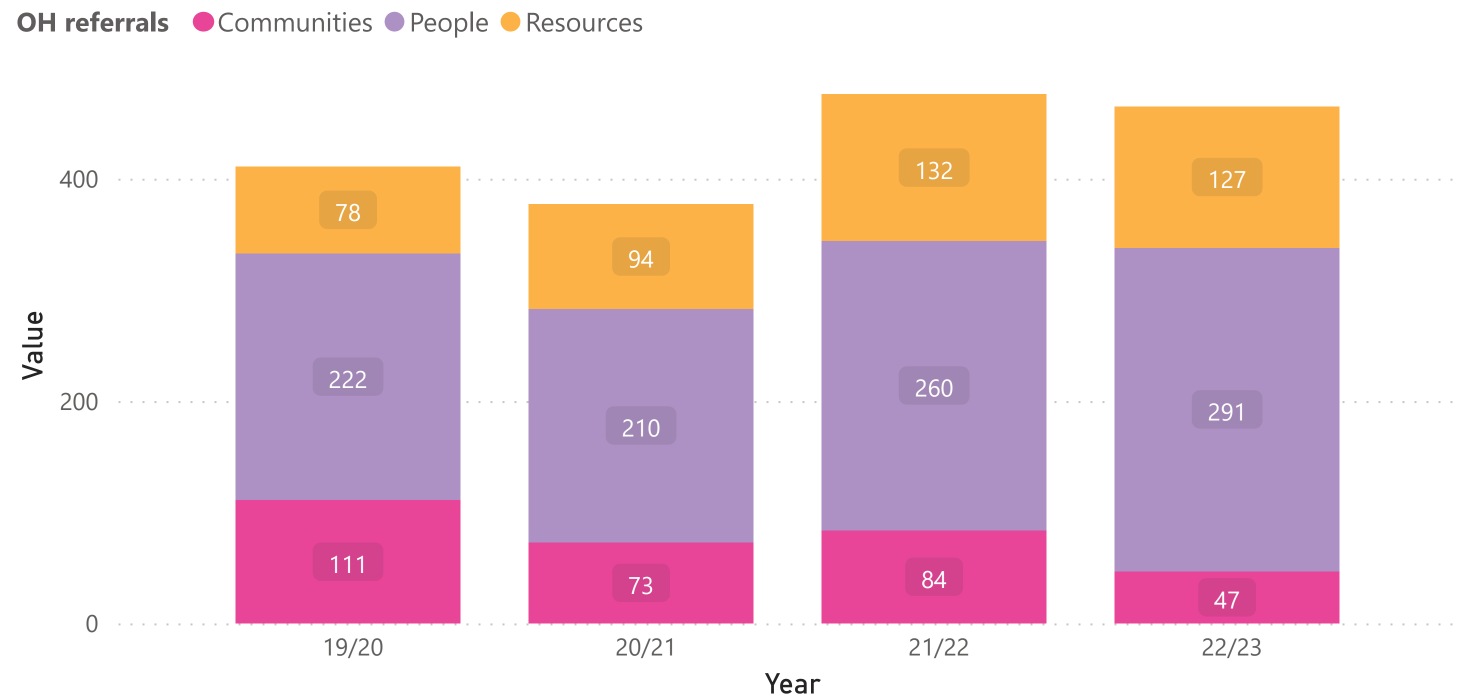
Employee Assistance Programme



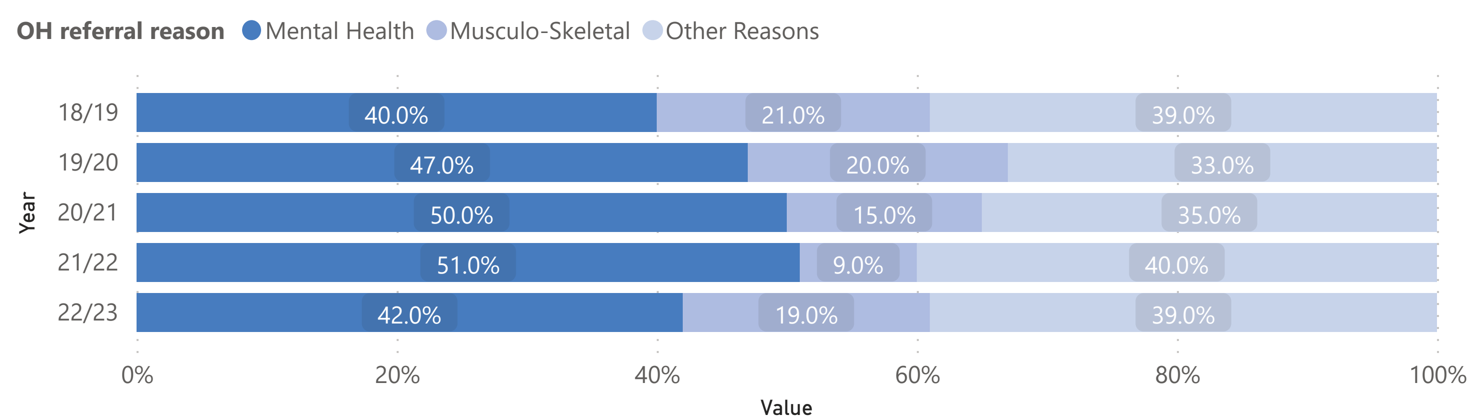
Programme by Directorate



Number of Occupational Health Referrals by Year and Directorate



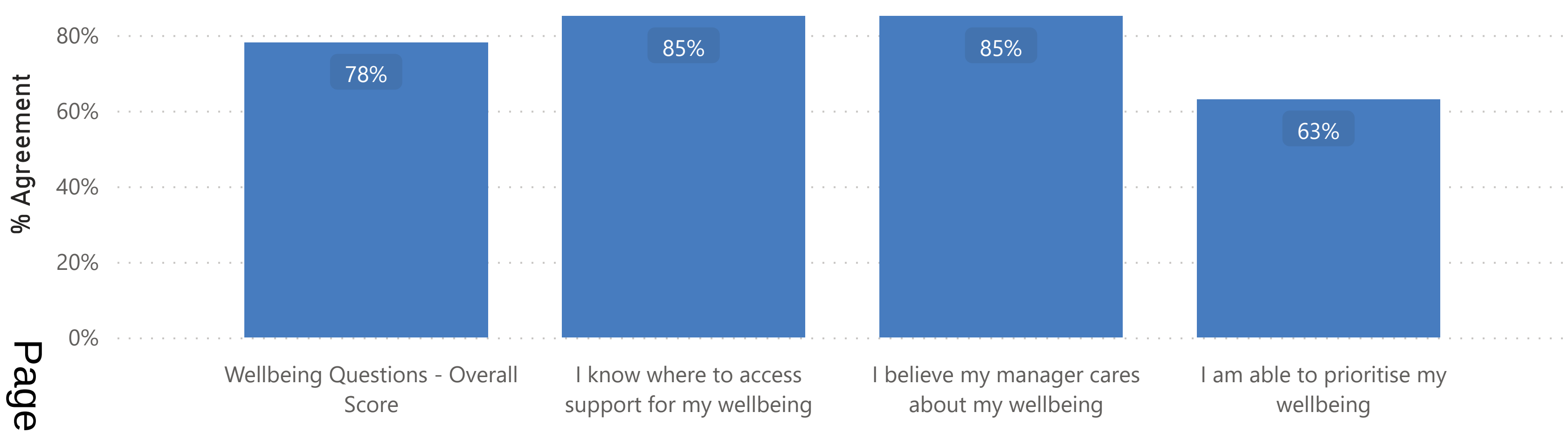
Occupational Health Referral reason by year



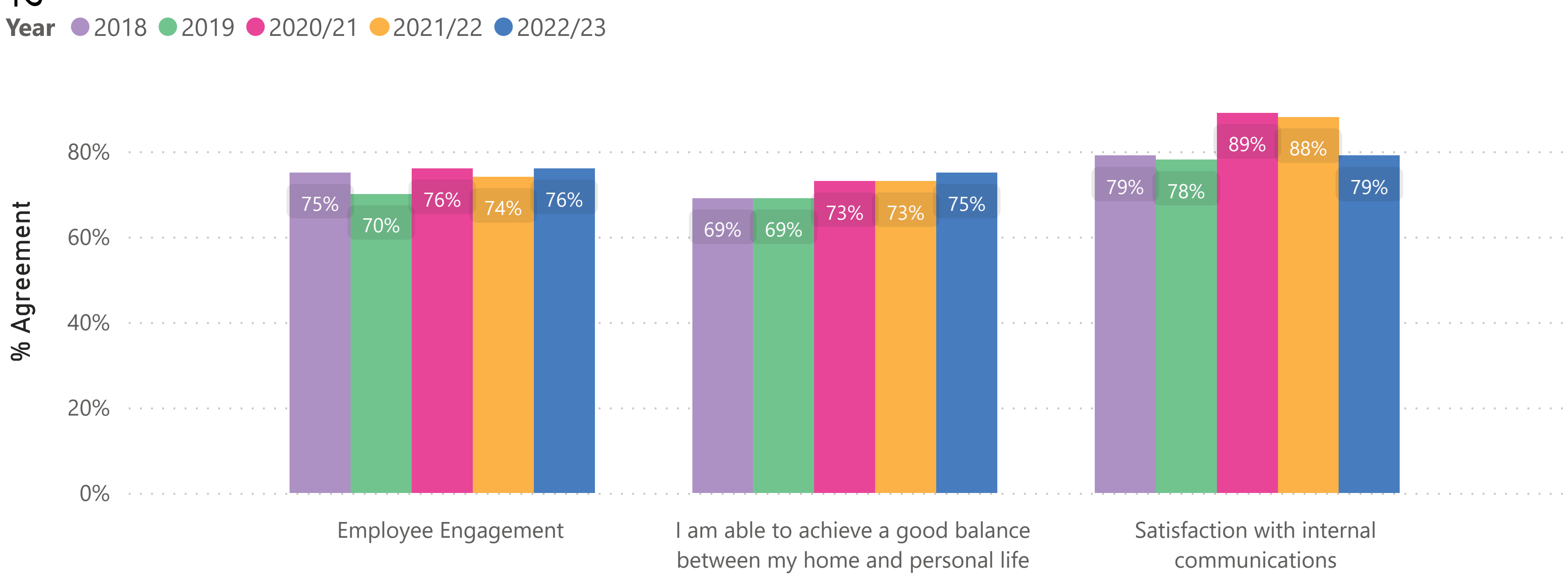
Sustainable and Resilient Workforce Annual Report 22-23

Engagement and Wellbeing

Your Say Survey Wellbeing 2022/23



Your Say Survey Engagement



Employee wellbeing and engagement has been monitored through a series of check-in surveys from April 2020 to present.

The percentage of employees that agree 'I am able to prioritise my wellbeing' is **63%**, which is lower than the overall score for wellbeing.

Both 'I know where to access support for my wellbeing' and 'I believe my manager cares about my wellbeing' is higher than the overall score for wellbeing and is **85%**.

Employee Engagement has increased from 2021/22 **(74%)** to 2022/23 **(76%)**. There was a decrease in employee engagement in 2019/20 which could relate to the impact of Coronavirus.

The percentage of employees that agree they are able to achieve a good balance between home and personal life has increased and is at its highest in 2022/23 at **75%**.

Satisfaction with internal communications has decreased from **88%** in 2021/22 to **79%** in 2022/23.

Staff and Pensions Committee

11 September 2023

Annual Review of Equality, Diversity and Inclusion

Recommendations

That the Committee:

1. Notes and comments on the Annual Review for Equality Diversity and Inclusion, attached at Appendix 1, including the priority areas for 2023/2024.

2. Agrees that the Our Diversity Data and Pay Gaps Report 2022-23, at Appendix 2, is published on the Council's website to meet the statutory requirement to publish annually equality information relating to employees, including gender pay gap information.

3. Agrees that the Council's gender pay gap figures, based on a reporting date of 31 March 2023, are published on the Government's gender pay gap website, as required by the gender pay gap regulations.

1.0 Introduction

1.1 The 2022-23 suite of Equality, Diversity, and Inclusion (EDI) Annual Review documents attached as appendices to this report provides detail of our EDI activity and data over the last 12 months.

1.2 The Annual Review, attached as Appendix 1, details both the achievements in 2022/23, and outlines the proposed priorities and action plan for 2023/2024.

1.3 The Diversity Data and Gender Pay Gap Report, at Appendix 2, provides information on the diversity of our workforce, alongside our gender, ethnicity and disability pay gap figures. The gender pay gap data is used to meet a mandatory annual reporting requirement to publish and upload to the Government portal gender pay gap information. It is of note that the pay gap data is not a difference in pay for equal work or similar work based on any characteristic. The data in Appendix 2 includes the employee related equality information that we are statutorily required to publish alongside other employee related information covering workforce profile and demographics, all of which supports our ongoing work around workforce planning.

1.4 The EDI in Action document at Appendix 3 provides a more in depth look out our EDI activity and showcases some of the interesting and innovative work we have done in this area over the past 12 months.

2.0 Financial Implications

2.1 None.

3.0 Environmental Implications

3.1 None.

4.0 Supporting Information

4.1 At Warwickshire County Council, we continue to all share a common vision to make Warwickshire the best it can be. The ‘Our People Strategy’ is an integral part of our plan to drive through the vision of Warwickshire County Council being ‘a great place to work’ where diverse and talented people are enabled to be their best. The five key organisational values which have been identified to enable this are: high performing, collaborative, customer focused, accountable, and trustworthy. These values are clearly demonstrated throughout the 2022-2023 EDI review for your consideration.

Appendices

1. Our People Equality, Diversity, and Inclusion (EDI) Annual Review 2022-23
2. Our Diversity Data and Pay Gaps Report 2022-23
3. EDI in Action 2022-23

Background Papers

None

	Name	Contact Information
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Portfolio Holder	Councillor Yousef Dahmash, Portfolio Holder for Customer and Transformation	yousefdahmash@warwickshire.gov.uk

The report was circulated to the following members prior to publication:

Local Member(s): not applicable
Other members: Councillor Yousef Dahmash

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Equality, Diversity & Inclusion

Annual Review **2022/2023**

Warwickshire County Council, a great place to work where diverse and talented people are enabled to be their best.

Equality, Diversity & Inclusion Warwickshire's Story

Reflections and a view from Monica Fogarty Chief Executive, Warwickshire County Council

At Warwickshire County Council, we want everyone to feel supported, valued and included as this will help ensure our County is the best it can be, for everyone. With the publication of the 2021 census, we can see that our county has become more diverse, which is why it is vital that we create environments where people feel valued, respected and accepted within their team and the wider organisation. This will allow us to harness creativity and innovation and work together to achieve success.

Our gender and ethnicity pay gaps, which measure average pay across different characteristics, have continued to decrease and we have seen an increase in disclosure rates among many of our demographic categories, suggesting a greater willingness of our people to be open with us. This year we achieved a Silver accreditation from Inclusive Employers, showing the progress we are making to ensure everyone is included at Warwickshire County Council.

Our Fire and Rescue Service has been making great strides in their inclusion practices, and this report details the excellent work that has been going on in a range of teams across the organisation, showing how EDI is becoming embedded into the way we work. Our vision continues to be achieved through multiple enablers, and our actions to date are helping us to be an inclusive organisation. However, we acknowledge that there is still more that we can do.

This report outlines our commitments, what's been achieved so far, the immediate actions that we will take to improve, and our key priorities for the next 12 months based on our data.

At a glance

1. Both our mean and median gender pay gap have successfully reduced again this year, bringing the figures closer to zero, meaning that our gender pay gap is narrowing. Our position is more favourable than both the national and public sector benchmarks. Whilst we celebrate this success, we are not complacent and remain committed to reducing our gender pay gap further.

2. Our mean ethnicity pay gap as of 31 March 2023 is -0.2%, compared with 0.2% in 2022. Whilst the gap has remained the same, the change from a positive figure to a negative figure, means that on average colleagues from ethnic minority groups earn more than their White British/Not Stated counterparts. Our median ethnicity pay gap as of 31 March 2023 is 0.0%.

3. Our disability pay gap as of 31 March 2023 is 5.4%, an increase of 3.0 percentage points from 2022 (2.4%). Our median disability pay gap at the 31March 2023 is 8.0%, an increase of 3.1 percentage points from 2022 (4.9%). Although these are lower than the national figures, our disability pay gap now exceeds our tolerance of +/- 5%. Therefore, disability inclusion will become a key priority for us in 2023/2024 with an emphasis on examining our approach to reasonable adjustments in the workplace and in development, promotions, and recruitment.

4. We have been working to increase disclosure rates among staff to ensure our data is as accurate as possible. The continuation of our data confidence work has seen an increase in disclosure for religion and a stabilisation for disability. However, there has been a decrease in people declaring whether or not they have caring responsibilities and those who have disclosed their socio-economic background. We will continue our data confidence work and explore how to support colleagues with caring responsibilities. We willalso explore social mobility through our work on Levelling Up and encourage disclosure of socio-economic status as part of this work.

5. Our ‘Your Say’ engagement activity provided agreement scores of over 70% in terms of people feeling included in their team, feeling safe to be their authentic self at work and being comfortable to talk about their background and identity with colleagues. We scored slightly lower in terms of colleagues feeling that their background and identity are not barriers to promotion and development.

6. The achievements section of this report outlines the proactive EDI activity that has taken place in the last year, with a particular highlight of being awarded the Silver Inclusive Employers Award.

7. Priorities for 2023/2024 will focus on:
   - Launching Our Approach to Equality, Diversity and Inclusion.
   - Linking to the Council’s priorities on Levelling Up by increasing social mobility, tackling inequalities, creating sustainable futures and building community power.
   - Considering the Inclusive Employers feedback and how the organisation may want to progress recommended actions.
   - Reviewing the ONS census data and develop actions to ensure recruitment opportunities are accessible.
   - Developing progression opportunities for diverse talent by launching the Breaking Through Programme.
   - Continuing to work with recruitment colleagues in terms of inclusive recruitment and onboarding to enable us to attract, retain and motivate a talented and diverse workforce.
   - Addressing the increase in our disability pay gap and improving inclusion for colleagues with disabilities.
   - Continuing to promote and develop our staff networks.

Our People Strategy alignment

Through the later end of 2020, the council refreshed the ‘Our People Strategy’, to drive through the vision of Warwickshire County Council, a great place to work where diverse and talented people are enabled to be their best.

Our behaviours

Our behaviours were first introduced in 2016 and these haven’t changed. Our behaviours frame how we should behave at work. They help us to understand how we should go about our work and the way we should interact with each other and our customers.

To support us to achieve this vision, five key organisational values have been identified:

High performing | Collaborative | Customer focused | Accountable | Trustworthy

Embodying our values and behaviours, Our People Strategy is built on 6 building blocks:

For each building block we have a clear set of outcomes we want to achieve so that we can fulfil our vision and transform as an organisation in a way that is sustainable.

Our Equality, Diversity & Inclusion vision

Our Equality, Diversity and Inclusion (EDI) vision, “Warwickshire County Council, a place where everyone feels valued, included, safe, supported and welcome”, places our approach to inclusivity at the heart of everything we do. This is aligned to Our Behaviours, to build strong working relationships, do what we say, and be the best we can be.

We want our employees to feel	**We want our communities to feel**	**We want our members to feel**
Valued, included, safe, supported, welcome and that they can reach their potential no matter what their background.	Safe, supported and that when they interact with Warwickshire County Council in whatever capacity they consistently receive a dedicated, inclusive and accessible service.	Included and supported so that they are confident in the approach and the actions we are taking to ensure Warwickshire County Council is an inclusive organisation and that they are able to promote our reputation externally.

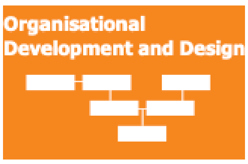
Our Council Plan, sets out our core purpose for the future to make “Warwickshire the best it can be, sustainable now and for future generations”. We want Warwickshire to be a brilliant county in which to grow up, work, prosper and grow older. This is supported by our three strategic priorities:

- A county with a thriving economy and places with the right jobs, skills, and infrastructure.
- A place where people can live their best lives; where communities and individuals are supported to live safely, healthily, happily and independently.
- A county with sustainable futures, which means adapting to and mitigating climate change and meeting net zero commitments.

EDI also plays an essential role in delivering our Council Plan and the following outcomes of Our People Strategy to make “Warwickshire County Council a great place to work where diverse and talented people are enabled to be their best”.

Our Equality, Diversity & Inclusion vision

Our EDI objectives ensure that we have an integrated and proactive approach to EDI that meets our Public Sector Equality Duty, is informed by sector best practice, and supports the achievement of our values, behaviours and vision.

Our People Strategy Building Blocks	No.	Objective	Expected Outcomes
Culture, Values and Behaviour 	1.	Provide a diverse range of education and training opportunities related to EDI for staff to access.	Staff are aware of and actively engage in WCC's approach to EDI, understand their responsibilities and feel they can act accordingly with confidence to promote the development of a more inclusive culture, improving our overall performance.
	2.	Continue to actively support a range of local and national diversity and inclusion events and activities.	Increase in the profile of WCC's commitment to EDI.
Leadership 	3.	Harness the collective knowledge and experience of our service users, employees and partners through collaborative working to enable learning and promote engagement.	Increase in engagement, partnership working and understanding of equality issues, enabling the Council to act.
	4.	Ensure each employee has at least one objective in their appraisal, in the period 2020-2025, which supports the Council's EDI ambitions.	Appraisals inform development.
	5.	Develop a Warwickshire Equality Charter with other organisations to help improve equality, diversity and inclusion across Warwickshire.	Organisations have the resources, information and support to help improve equality, diversity and inclusion across Warwickshire.
Organisational Development and Design 	6.	Review and develop current practices in relation to policies, processes and services, including the commissioning of services.	WCC has robust mechanisms in place to make sure our policies, processes and services, including commissioned services, are inclusive.
Performance 	7.	Ensure we have the infrastructure in place to provide accurate data to inform our prioritisation decision making and measure our progress.	WCC can identify key issues and measure progress in relation to EDI.

Our Equality, Diversity & Inclusion vision

Reward and Recognition 	**8.**	Continue to recognise and highlight opportunities and the success of EDI initiatives and people.	Increase in employee engagement and motivation.
Talent Development and Career Opportunities 	**9.**	Ensure all our learning and development is increasingly accessible and inclusive.	WCC offers every employee fair training and development opportunities.
	10.	Review and develop current practices in relation to attraction, recruitment and development.	WCC's workforce represents the diversity of Warwickshire at all levels within the organisation and there are no barriers to progression for different groups.
	11.	Explore and analyse possible options for advancement at all stages of employee journeys.	

Throughout the report, we have used Our People Strategy building block icons to help you connect the stories we tell with our EDI objectives. What follows is just a selection of our work on EDI over the last year.

We have :

- Continued to evaluate, build on and deliver Our People Data campaign to keep on increasing disclosure rates.
- Continued to evaluate, build on and deliver our inclusive recruitment and onboarding programme of work.
- Launched our newly developed talent development programme of work and undertaken further exploration within WCC.
- Delivered the Council's Leading Inclusively programme.
- Delivered a range of initiatives to ensure the services we deliver are inclusive, accessible and reach a diverse customer base, including the implementation of our Hidden Disabilities scheme.

Measuring success

To measure our success we have identified the following targets:

- **Pay gap data.** We will be an inclusive organisation when our gender, ethnicity and disability pay gaps (mean and medium) are close to 0% with a tolerance of plus or minus 5%.

- **Disclosure rates.** An upward trend in diversity data disclosure rates every year. This will enable us to truly understand whether our workforce represents the diversity of Warwickshire at all levels within the organisation.

- **Check-in survey data.** An upward trend for the agreement scores against the following statements, plus benchmarking against other local authorities:
  - I feel safe to be myself and feel that I belong at work
  - I feel included within my team
  - I am able to access promotion and development opportunities no matter my identity

Achievements 2022/23

In what has been a very productive and busy year, there has been a wide range of activity within the EDI team which has led to lots of interesting and innovative pieces of work being carried out across the Council.

Here are some of the achievements that have stood out over the last twelve months. For a more in-depth look at our EDI activity this year please see the accompanying EDI in action section of this report.

Continue to evaluate, build on and deliver Our People Data campaign to keep on increasing disclosure rates.

We have continued our efforts to increase disclosure rates to help us better understand our landscape, identify key issues, and measure progress. We have been working on building trust and educating both the public and our colleagues on what happens when individuals share their data and how this is used to inform decision making. Two short videos were created to share with colleagues and the public when completing surveys, explaining how sharing data can lead to better decision making and understanding of our communities and any issues they may face. Our guidance for collecting diversity data was updated to include questions around socio-economic background, which will aid us in our future work around social mobility and Levelling Up.

Colleagues from the Engagement Team developed and now deliver sessions on how to engage with people in an inclusive way, and best practice for collecting and analysing diversity data.

In this year's Your Say survey, 68% of those who completed it stated that they understand how their diversity data is used to add value to the organisation. This gives us a good benchmark as we continue this area of work. Requests to update diversity data are included in all of our EDI training.

Continue to evaluate, build on and deliver our inclusive recruitment and onboarding programme of work.

We have continued to review and develop current practices in relation to attraction, recruitment and development. As part of the onboarding programme, we highlight the employee networks which we continue to encourage and support in their development. These network groups provide members with the opportunity to support one another, connect, discuss prevalent issues and enact positive change. The networks are a great way to engage new starters in an inclusive way.

We have also attained Disability Confident level two accreditation and are working towards our level three. As part of this, we guarantee an interview to anyone with a disability who demonstrates through their application that they meet the minimum essential criteria for the post.

To aid us in making Warwickshire an attractive place to work, we are a member of Inclusive Employers and have attained Silver accreditation for the development and implementation of our EDI plan.

Launch our newly developed talent development programme of work and undertake further exploration within our organisation.

We want our people to develop the capabilities and behaviours that can drive a high-performance culture, which is why we support our people to develop and grow, demonstrate their potential and fulfil their aspirations and be their. We want to develop a strong learning culture within Warwickshire County Council where we have a growth mindset and where people not only want to learn and apply what they've learned to help the organisation grow, but they also feel compelled to share their knowledge with others.

Breaking Through programme

This programme is for individuals who are underrepresented within the workforce and want to progress their career, whether they are just starting out, a team leader, manager, head of service or director. This is for individuals who want to understand how they can lead with a difference, using their own unique mix of characteristics to bring their strengths to leadership. There are also opportunities for participants to benefit from a mentor, outside of their own sector and profession, to help them grow and develop.

Deliver the Council's Leading Inclusively programme.

This year we launched a programme for senior leaders, heads of service, and managers who want to champion inclusion at Warwickshire County Council. The scheme is for people who know that inclusion is not a tick box exercise and that it is about changing attitudes and confronting discrimination head on. It is for people who are prepared to be passionate advocates and drivers for EDI.

Supported by the EDIW team, the programme is designed to help our leaders push boundaries and learn how they can do more to create inclusive teams, be impactful advocates, increase confidence around inclusion and be comfortable operating in a diverse organisation. It allows people to develop confidence around difficult conversations that can contribute to positive and sustainable change, which can help us deliver better services for our customers. Inclusive leaders are more likely to enable greater team collaboration, see better quality decision making and high team performance. When our leaders understand and embrace the opportunity of inclusion, we can actively create more inclusive teams and workplaces where innovation can happen.

Deliver a range of initiatives to ensure the services we deliver are inclusive, accessible and reach a diverse customer base, including the implementation of our Hidden Disabilities scheme.

The Hidden Disabilities Sunflower scheme

We are now a member of the Hidden Disabilities Sunflower scheme. The Hidden Disabilities Sunflower enables people with non-visible disabilities to access the support they need. It acts as a prompt for someone to choose to let people around them know they have a non-visible disability and that they may need a helping hand, understanding, or simply more time. As part of this scheme, colleagues now have access to:

- E-learning on how to recognise the sunflower.
- Face-to-face or virtual training on how to support customers and colleagues with non-visible disabilities or health conditions, including support with reasonable adjustments and Access to Work.
- Sunflower lanyards and posters to wear and display in workplaces.
- An online index of health conditions with suggested support and templates for discussing reasonable adjustments.

Inclusive Employers Award

Inclusive Employers Standard Silver Accreditation 2022

Warwickshire County Council is a member of Inclusive Employers. The Bronze accreditation we received in October 2019 provided a positive base from which to grow and further improve towards becoming a more inclusive employer. Following a further submission, we were delighted to announce that we were awarded Silver accreditation in September 2022. The feedback provides a clear indication of our strengths along with further areas for improvement, which we will continue to work on.

Leading with data

We use our data to give us an increased awareness and an accurate understanding of the issues we are responding to. This evidence-based approach ensures that EDI remains a core business priority.

When asking our people for their diversity data we give them the option of ‘prefer not to say’. Religion and belief and sexual orientation are the two areas that see the highest proportion of employees selecting ‘prefer not to say’ or ‘not stated’.

As part of our check-in surveys respondents’ diversity data, is collated and analysed. As with last year’s results, individuals who stated ‘prefer not to say’ across all demographics scored lower in measures of wellbeing, employee engagement, feeling safe to talk about their identity at work, and feeling included within teams. People who declared that they have a disability or long-term health condition scored lower for feeling included within their team and accessing promotion and development opportunities than those who declared that they do not have a disability or long-term health condition.

This is a priority area for us, and we have identified the following actions:

Reasonable adjustments review

Embedding a robust approach to reasonable adjustments will help us to push on with some of the positive results we have experienced, for example within the disability disclosure rates. Achieving equality for disabled people may mean changing some of the ways employment is structured. This could include reviewing accessibility to buildings, providing additional support for disabled workers and job applicants, which we will also expand to incorporate people who have non-visible disabilities and those who are neurodivergent.

Supporting our team leads, managers and senior leadership team to facilitate meaningful discussions with their teams will help create an environment for people to be able to thrive, by allowing everyone to work in a way that best suits them, while still meeting service needs. This is an area that we shall be focusing on.

Examining agile and flexible working

Creating a positive environment for our employees will ultimately improve their experience of working for Warwickshire. A positive work environment is the result of a combination of factors, such as flexibility, trust, and accountability being displayed and embraced at all levels of the organisation. Flexibility at work can help employees to create an environment that suits their individual needs and life circumstances. Promoting job flexibility helps to increase productivity and job satisfaction.

This is not as easy to promote for colleagues who are community-facing or in service delivery roles. Therefore, work will focus on what our colleagues want and need from WCC in order to feel supported by the Council.

To better understand how we can improve our employees' experience of WCC, we need to understand the journey from recruitment to onboarding to departure. This will give us opportunities to implement positive interventions to help and support people in a way that will then create a positive employee experience.

We can implement this by critically evaluating our recruitment and hiring process to ensure it operates in an inclusive and fair way, with a focus on reasonable adjustments. We want to also better understand if our new employees get enough opportunities to understand what our core values are during the onboarding process, as well as;

- Are employees given enough opportunities to grow and develop with us?
- How do people feel about their time with us when they leave?

Gaining a clearer insight into the answers to these questions will allow us to better understand the work environment from an employee's perspective and lead us to find ways to improve it.

Headlines from Your Say Survey

73% of our people agree that Warwickshire County Council is a good employer

79% of our people feel that they are safe to be their authentic self at work

82% of our people feel included with their team

80% of our people feel comfortable talking about their background and identity with colleagues

69% of people feel that they can challenge the way things are done

65% of our colleagues feel that their background and identity are not barriers to promotion and development

Our employee networks

Warwickshire County Council recognises the power of its staff networks to improve the wellbeing of our staff and the culture of our organisation.

Such groups provide members with the opportunity to support one another, connect, discuss prevalent issues and enact change.

Our staff networks are run by employees for employees, with administrative support from the Equality, Diversity, Inclusion and Wellbeing (EDIW) team.

We currently have nine staff networks:

- Cancer Support Group*
- Carers Staff Network
- Christian Staff Network
- Culture Staff Network
- LGBT+ Staff Network
- Menopause Peer Support Group*
- Neurodiversity Staff Network*
- Women's Staff Network
- Widows/Widowers and Bereavement Staff Network

The Chair or a representative from each of our equality staff networks attends the Council's EDI group meetings as a critical friend, providing the networks with a clear route within WCC to feedback, recognising the importance of two-way communication to enable a collaborative, innovative and accountable environment.

The Chairs of all networks also meet every other month to discuss ways they can work together to highlight any areas of concern or focus, and work together to bring about positive change within the organisation.

*New network established in 2022/23.

Our diversity data

The following charts show our workforce diversity information, based on the year 1 April 2022 to 31 March 2023, and our gender, disability, and ethnicity pay gap data as of 31 March 2023. Please note that the pay gap data is not a difference in pay for equal work or similar work based on any characteristic. This section also looks at our turnover and promotion rates by protected characteristics. This insight, alongside other data, including but not limited to, our regular check-in surveys, qualitative data captured through a range of channels (e.g. Staff Networks, Employee Forums, focus groups etc.), supports us in setting our objectives and measuring our progress. The charts can be summarised as showing:

1. Our mean gender pay gap continues to reduce at a significant rate. As of 31 March 2023 it is 0.4%. This is a reduction of 2.0 percentage points from 2022 (2.4%). Our median gender pay gap as of 31 March 2022 is 2.5%. This is a decrease of 5.1 percentage points from 2022 (7.6%). Whilst these are lower than the national gender pay gap figures and the public sector as a whole, we are not complacent and are committed to reducing our pay gap further by growing and developing our diverse talent through our talent development programme of work.

2. Our mean ethnicity pay gap as of 31 March 2023 is -0.2%, which is a decrease of 0.4 percentage points from 2022 (0.2%). This means that, on average, Black, Asian, Arab, White Non-British, and other Minority Ethnic colleagues earn more than their White British/Not Stated counterparts. Our median ethnicity pay gap as of 31st March 2023 is 0.0%. In order to understand this data better, we also look at the ethnicity pay gap by ethnic group:
   - Our mean Asian/Asian British pay gap is steadily closing, which is a positive. As of 31 March 2023 it is 0.4%. This is a decrease of 0.6 percentage points from 2022 (1.0%).
   - Our mean Black/Black British pay gap at 31st March 2023 is -2.7%. This is a decrease of 1.1 percentage points from 2022 (-1.6%) and indicates that our Black/Black British colleagues on average earn more than their White British/Not Stated counterparts.
   - Our mean White Non-British pay gap at 31st March 2023 is 2.7%. Whilst this is an increase of 2.6 percentage points from 2022 (0.1%), it remains within our 5% tolerance range.
   - Our mean Mixed Ethnicity pay gap at 31st March 2023 is -4.4%. This is a decrease of 4.4 percentage points from 2022 (0.0%) and indicates that our colleagues who are of mixed heritage and ethnicity earn more than their White British/Not Stated counterparts.

3. Our disability pay gap at 31 March 2023 is 5.4%. This sees an increase of 3.0 percentage points from 2022 (2.4%). Our median disability pay gap at the 31 March 2023 is 8.0% which is an increase of 3.1 percentage points from 2022 (4.9%). Although these are lower than the national disability pay gap figures, our pay gap has increased and exceeded our tolerance of plus or minus 5%, used for the purpose of target setting and measurement. Therefore, disability inclusion will remain a key priority for us in 2023/2024 with an emphasis on examining our approach to reasonable adjustments in the workplace and in development, promotions, and recruitment.

4. We have been working to increase disclosure rates among staff to ensure our data is as accurate as possible. The continuation of our data confidence work has seen an increase in disclosure for religion (65.3% v. 61.3% in 2022), and sexuality (62.2% v. 57.6% in 2022) and a stabilisation for disability (79.6% v. 80.8% 2022). However, there has been a decrease in people declaring whether or not they have caring responsibilities (21.5% v. 22.4% in 2022) and who have disclosed their socio-economic background (20.1% v. 21.7% in 2022). We will continue our data confidence work and explore how to support colleagues with caring responsibilities as part of our disability inclusion work. We will also explore social mobility through our work on Levelling Up and encourage disclosure of socio-economic status as part of this work.

See the full diversity data and pay gaps report 22/23

Our priorities for 2023/24

As part of the Our People Strategy, EDI continues to be a priority for 2023/2024. Our vision will be achieved through multiple enablers, and our actions to date are helping us to be an inclusive organisation, which is evidenced by our data. Our priority is to continue to deliver our plan, whilst focusing on the following over the next year:

1. Finalise and launch our approach to Equality, Diversity and Inclusion (see appendix 1) which confirms our commitment and expectations in terms of EDI and sits alongside our EDI policy statement.
2. Link to the Council's priorities on Levelling Up by increasing social mobility, tackling inequalities, creating sustainable futures and building community power.
3. Consider the Inclusive Employers Silver Award feedback and how the organisation may want to progress the recommended actions.
4. Review the ONS census data from 2021 in order to examine how representative our workforce is compared to the demographics of the county and develop actions to ensure recruitment opportunities are accessible.
5. Develop our progression opportunities for diverse talent by launching the 'Breaking Through' programme which is aimed at helping individuals who are underrepresented within the workforce and who want to progress their career.
6. Continue to work with recruitment colleagues in terms of inclusive employment and onboarding approaches to enable us to attract, retain and motivate a talented and diverse workforce.
7. Promote and continue to develop our staff networks, with a particular focus on promoting our calendar of events relevant to our people.
8. Raise the profile of neurodiversity awareness and celebration within the workplace.
9. Address the increase in our disability pay gap and improve inclusion for colleagues with disabilities by continuing to promote our Hidden Disabilities membership and carrying out a Disability Accessibility Audit of all our assets.

Conclusions

This review sets out some of the highlights of a very productive year with a number of positives including a decrease in many of our pay gaps and an increase in disclosure rates.

We aim to continue this good work by embedding EDI as a golden thread throughout the work that we do at Warwickshire County Council, ensuring we can deliver on our ambition to make Warwickshire the best it can be, sustainable now and for future generations.

We have made great strides over the 2022/23 year, but we understand that we must keep up the positive momentum and continue to strive for excellence on our journey of making Warwickshire an inclusive organisation.

Our Approach to...

Equality, Diversity & Inclusion (EDI)

At Warwickshire County Council we benefit greatly from the different skills, talent and attributes of our diverse range of people. We recognise that diversity and inclusion is essential to us being able to develop, adapt, innovate and progress, whilst best serving our customers and striving to ensure that no one is treated inappropriately or disrespectfully.

Our people work with passion and purpose, are engaged to serve and aligned in the delivery of great work.

- Aligned to our values, our people are diverse, feel included, valued and accepted within their team and the wider organisation.
- We will listen, learn and act to create an inclusive organisation with a sustainable and resilient workforce.
- We will break down barriers to enable a collaborative, innovative and accountable environment.
- Our offer enables us to attract, retain, engage and motivate a diverse and talented workforce.
- Our people are celebrated for their diversity and bring the capabilities and behaviour to drive a high-performance culture.

We will all be the best we can be by:

- Having the courage to recognise our own biases and prejudice, so that we can make decisions and behave in ways that enable us to address them.
- Being respectful, curious, and interested in learning about different experiences.
- Recognising that all emotions are valid, we listen to hear, rather than to respond.
- Intentionally using inclusive language to enable everyone to feel safe, supported and welcome.

Our leaders and managers will do what they say by:

- Role modelling behaviours that embed our legal duty under The Equality Act 2010 and PSED.
- Having the courage and humility to reflect, become aware of and learn about personal bias and prejudice.
- Demonstrating that bullying and discrimination have no place here and challenging inappropriate behaviour.
- Acting in ways that clearly show inclusion and equity matter, regardless of background.
- Speaking up and enabling the voice of those who are underrepresented, encouraging open-mindedness and creating a safe environment for everyone to thrive.

Organisationally we will focus on solutions by:

- Listening to and respecting the diverse experiences of our colleagues and customers and responding accordingly.
- Being committed to keeping up-to-date with EDI related legislation, case law and learning, to benefit our policies, procedures and processes.
- Seeking feedback about our EDI ambitions via supportive and accessible routes.
- Ensuring that our attraction, recruitment and development opportunities are accessible and equitable.

Diversity data and pay gaps report

2022/23

Key Measures and Definitions

Heads/Headcount: The headcount is defined as the physical number of people irrespective of the number of positions held or the number of hours worked by the individual. It is possible for an individual to be employed in different roles within the WCC structure, therefore the headcount for Warwickshire will not necessarily be equal to the total headcount for each group.

Full Time Equivalent (FTE): Full Time Equivalent relates to the number of hours an employee is contracted to work each week as a proportion of the number of hours per week defined as full-time as per contracts of employment. Thus a full-time employee would have an FTE of 1.0 and an employee working 18.5 hours per week in a role based upon a 37 hour contract would have an FTE of 0.5.

GEM (Global Ethnic Majorities): Within this report we use this collective term when comparing data against White British employees. However, we recognise that collective terms combine and dilute the experiences of Black, Asian, and other ethnic groups. Therefore, we also analyse data by different communities and ethnicities.

New Starters: New starters are defined as employees starting employment within the organisation (and not those changing roles).

Leavers: Leavers are defined as employees leaving the organisation (and not those leaving an individual post but remaining employed).

Promotion: A promotion is the advancement of an employee's rank or position in the organisational hierarchy system.

Gender Pay Gap: The gender pay gap is an equality measure that looks at the average (mean and median) pay that is paid to all men and compares it against the average paid to all women employees employed by the council. An outturn of 0% means that there is no gap, our target is to be within 5% either side of 0%.

Ethnicity Pay Gap: The ethnicity pay gap is an equality measure that shows the difference in average (mean and median) earnings between GEM and White British employees. However, we recognise that collective terms combine and dilute the experiences of Black, Asian, and other ethnic groups. Therefore, we also analyse data by different communities and ethnicities.

Disability Pay Gap: The disability pay gap is an equality measure that shows the difference in average (mean and median) earnings between employees with and without a declared disability.

Please note that headcounts for Pay Gap figures are based on "Relevant" Employees as per Pay Gap Guidance - exclusions include employees without full pay within pay period March 2023 because of long term sickness, maternity etc or those who have started or left within pay period March 2023.

Please note that the pay gap data is not a difference in pay for equal work or similar work based on any characteristic.

Warwickshire County Council, a great place to work where diverse and talented people are enabled to be their best.

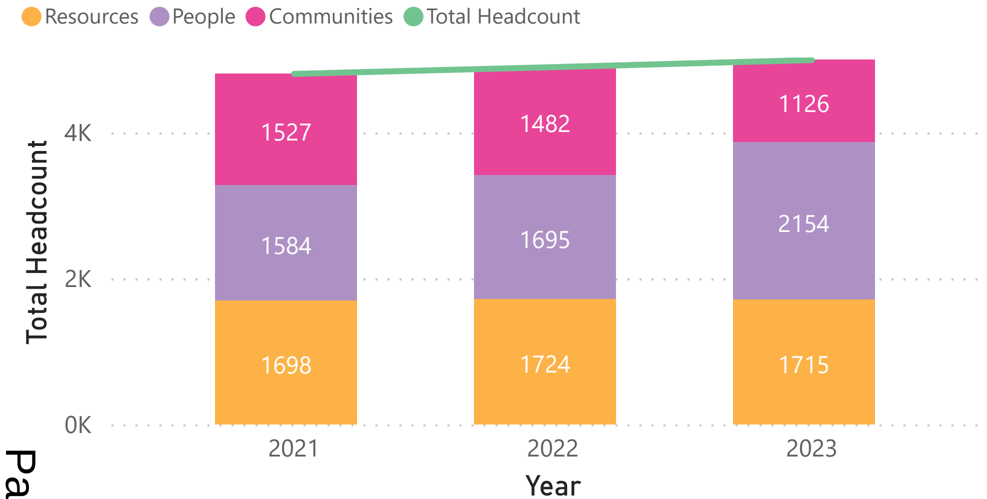
Warwickshire County Council (WCC)

Our Diversity Data and Pay Gaps Report
1st April 2022 to 31st March 2023

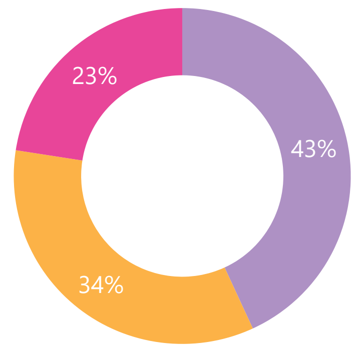
Our Diversity Data and Pay Gaps Report 2022-2023

Workforce Profile - Headcount & Working Arrangements

Headcount by Year



% Headcount by Directorate 2023



As of **March 31st 2023**, WCC headcount was **4998**, FTE **4246.7**.

WCC **2.0%** increase in heads since *31st March 2022:*

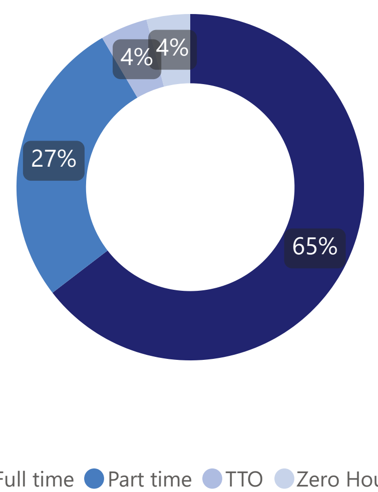
*Communities Directorate **24.0%** decrease in heads

*People Directorate **27.1%** increase in heads

Resources Directorate **0.5%** decrease in heads

*Within Q2 22/23 the Education Service moved from the Communities Directorate to the People Directorate, which has impacted the reported headcount.

WCC Working Arrangements 2023

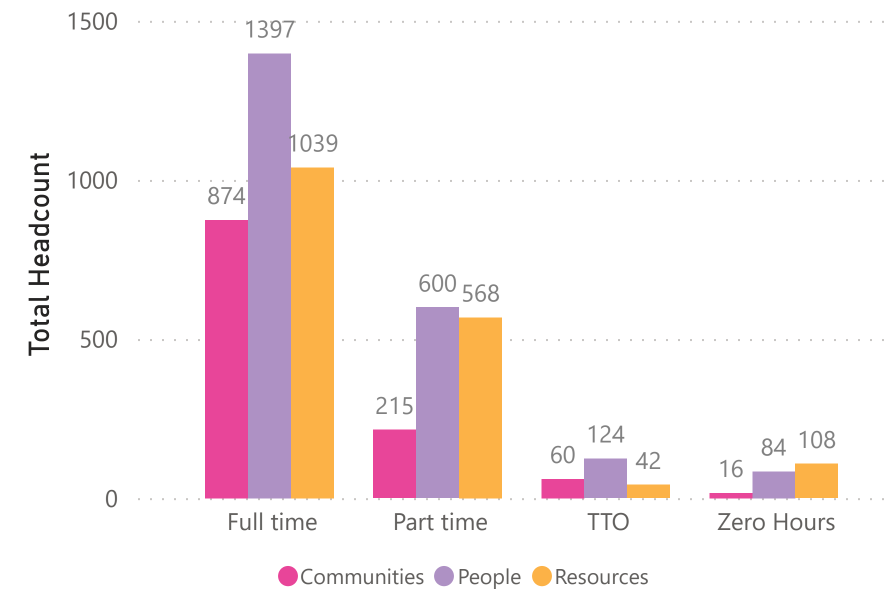


*TTO refers to employees who are Term Time Only

The proportion of Full Time employees for **WCC** has increased by 3 percentage points since *31st March 2022:*

2022	2023
64% Full Time Communities Directorate	**78%** Full Time Communities Directorate
69% Full Time People Directorate	**65%** Full Time People Directorate
58% Full Time Resources Directorate	**61%** Full Time Resources Directorate

Directorate Working Arrangements 2023

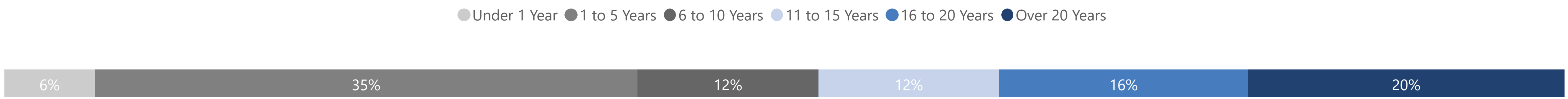


Our Diversity Data and Pay Gaps Report 2022-2023

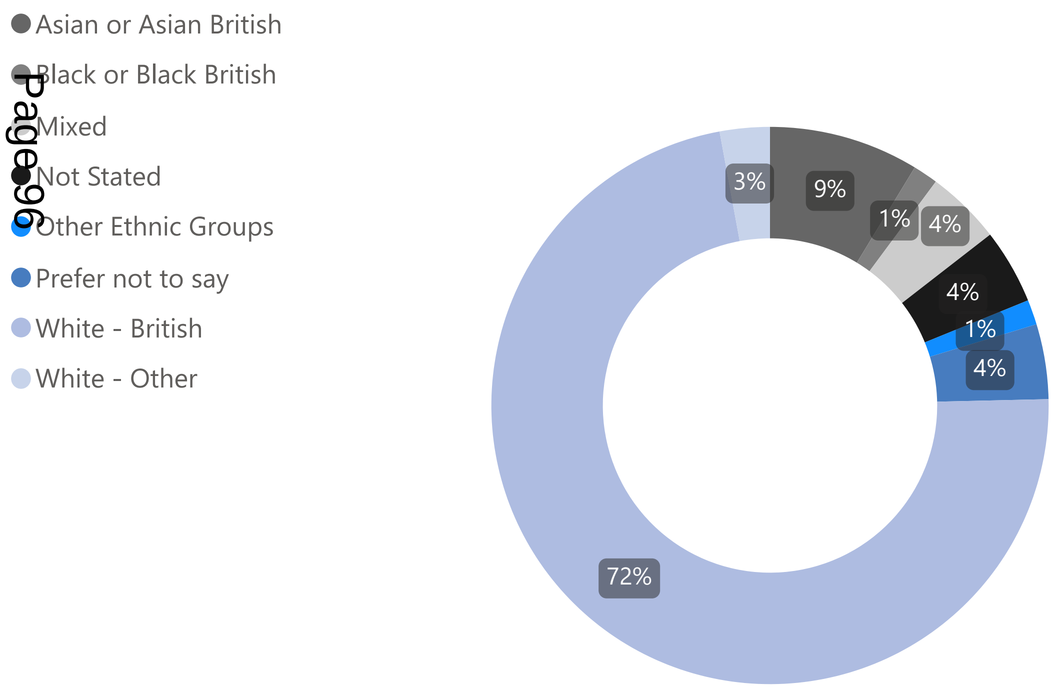
Workforce Profile - Senior Leadership Demographics

Ref: GPG23 | Version: 1.1 | Status: Dev
For queries, contact businessintelligence@warwickshire.gov.uk
Please quote the Ref number in your email

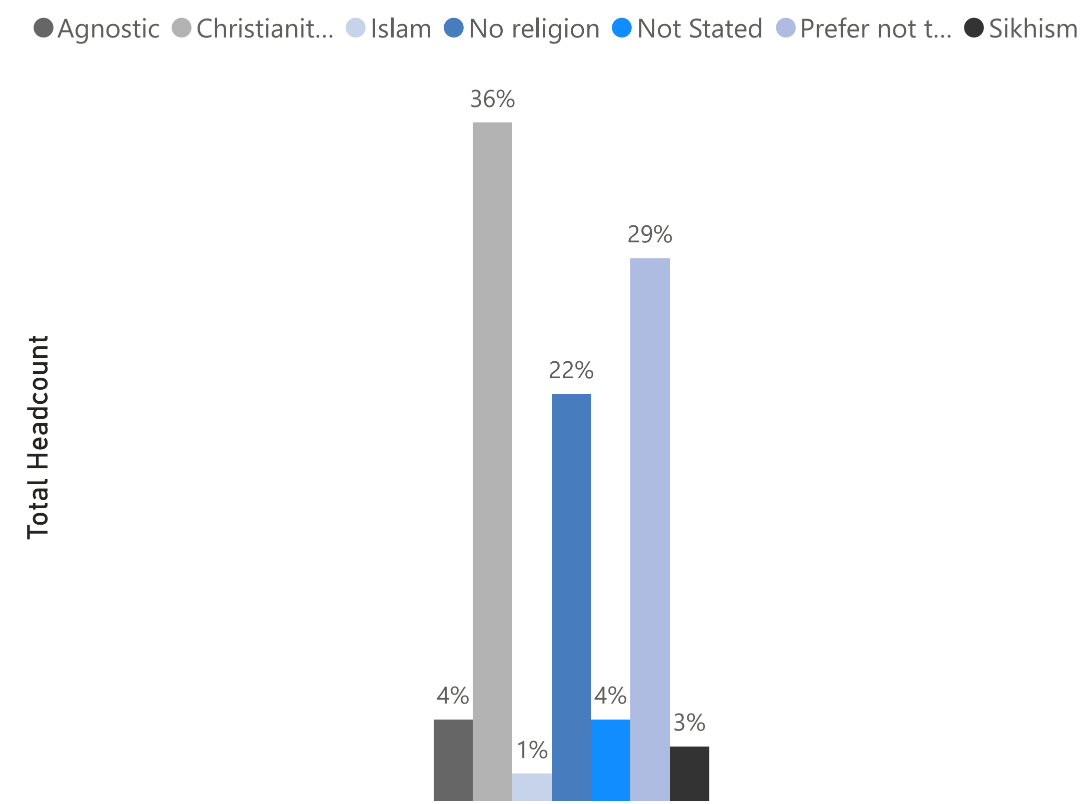
Senior Leadership Length of Service



Senior Leadership Ethnicity



Senior Leadership Religion



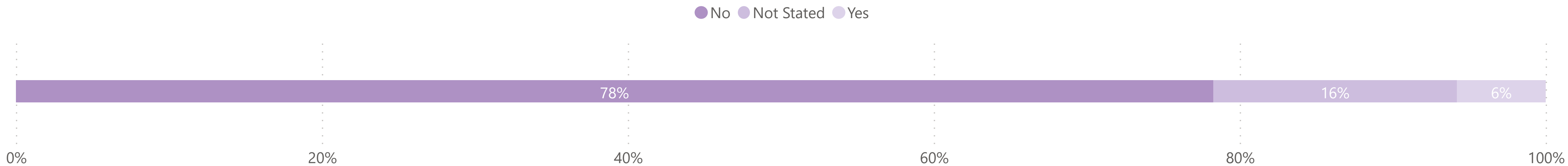
Due to the Functional Operating Models, the data set for Tiers 0 – 4b Leaders is still incomplete, therefore data has only been provided to Tier 3.

Our Diversity Data and Pay Gaps Report 2022-2023

Workforce Profile - Senior Leadership Demographics

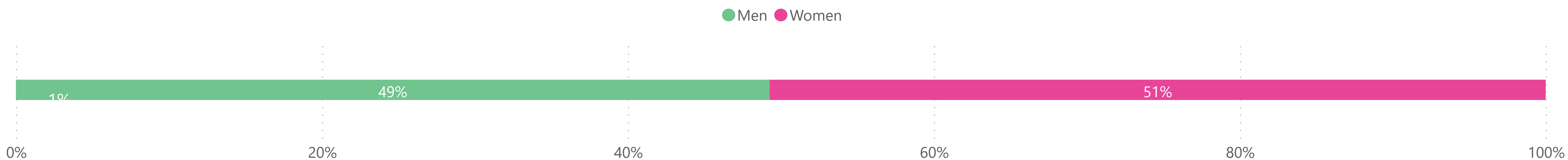
For queries, contact businessintelligence@warwickshire.gov.uk
Please quote the Ref number in your email

Senior Leadership Disability Status

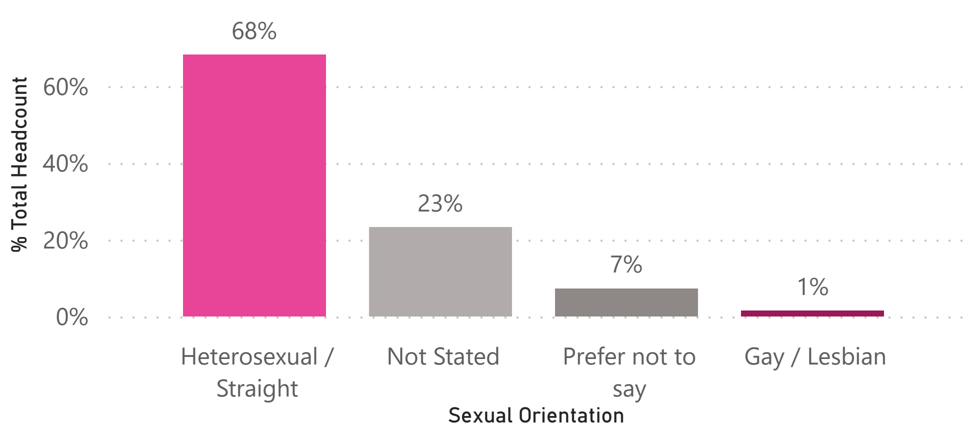


Senior Leadership Gender

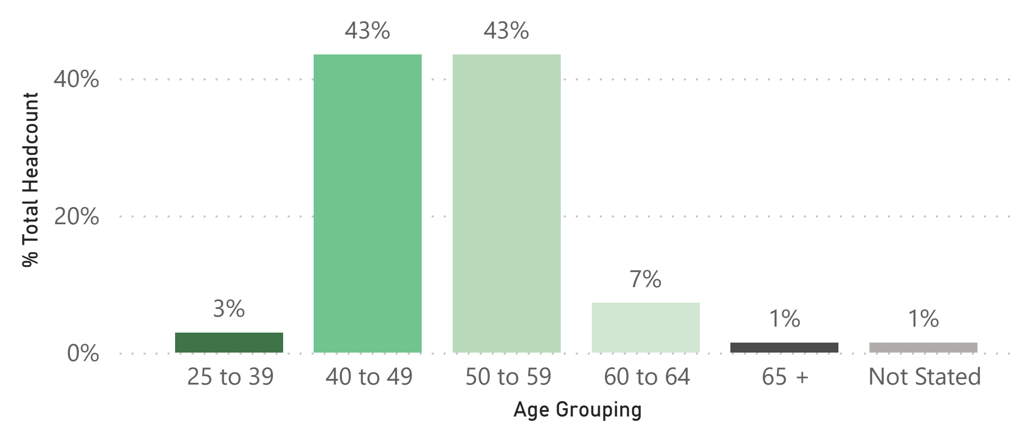
Senior leadership demographics includes employees from Tier 0 to Tier 3.



Senior Leadership Sexuality



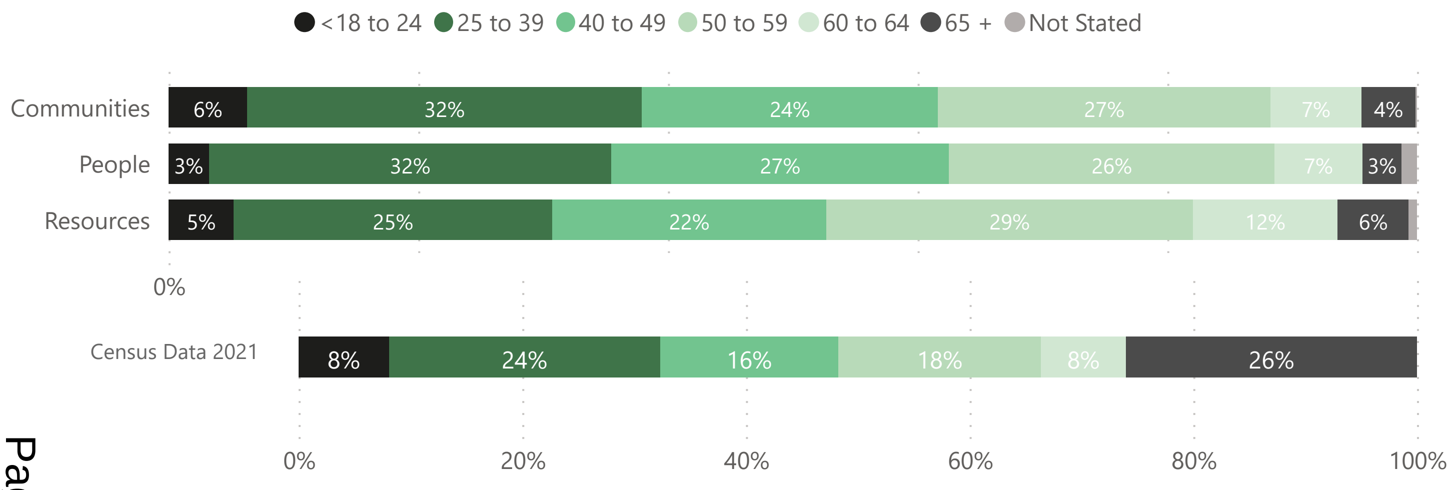
Senior Leadership Age Groupings



Our Diversity Data and Pay Gaps Report 2022-2023

Workforce Demographics - Age

Age Groupings by Directorate 2023



As of March 31st 2023, **6.3%** of Communities Directorate were aged **under 25** (4.7% 2022). The proportion of Communities Directorate aged **60+** was **11.6%** (12.0% 2022).

As of March 31st 2023, **3.2%** of People Directorate were aged **under 25** (4.7% 2022). The proportion of People Directorate aged **60+** was **10.2%** (8.8% 2022).

As of March 31st 2023, **5.3%** of Resources Directorate were aged **under 25** (4.8% 2022). The proportion of People Directorate aged **60+** was **17.3%** (16.9% 2022).

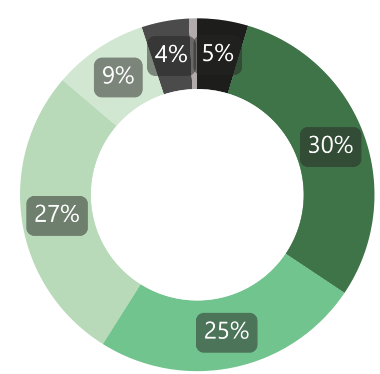
2023 Communities	2023 People	2023 Resources
82.0%	82.0%	76.8%
Aged 25 - 59	Aged 25 - 59	Aged 25 - 59
83.1 % 2022	86.2% 2022	77.8% 2022

As of **March 31st 2023**, **82.0%** of Communities Directorate are aged **25-59** which has decreased from **83.1%** in 2022.

As of **March 31st 2023**, **85.3%** of People Directorate are aged **25-59** which has decreased from **86.2%** in 2022..

As of **March 31st 2023**, **76.8%** of Resources Directorate are aged **25-59** which has decreased from **77.8%** in 2022..

WCC Age Groupings 2023



As of **March 31st 2023**, only **4.6%** of **all** employees were aged **under 25**, a decrease on 2022 (4.8%).

The proportion of the workforce aged **60+** was **13.0%** (up from 12.6% in 2022).

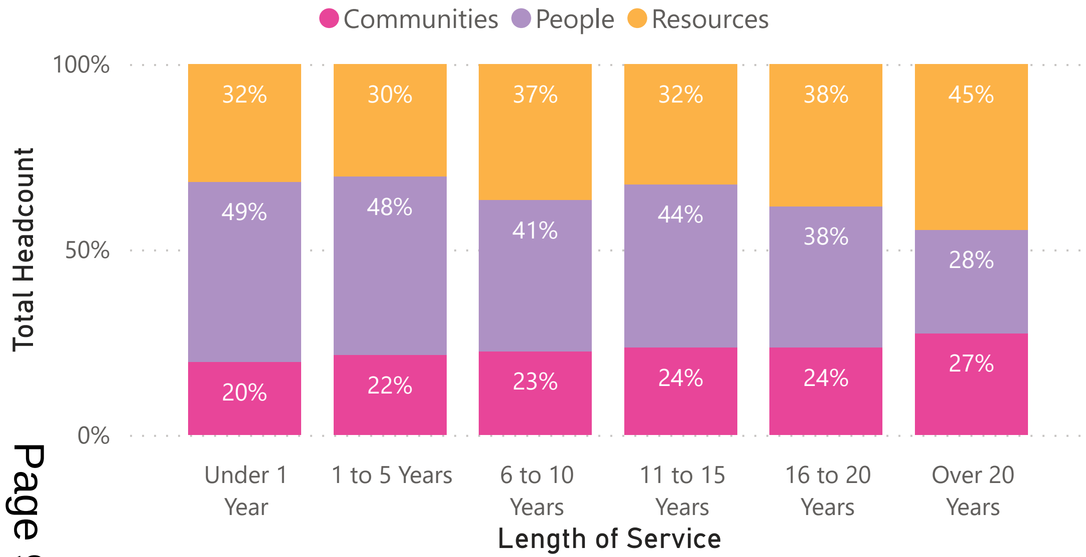
The majority, **81.6%** of the workforce, are between the ages of **25 to 59** (82.6% 2022).

Within Q2 22/23 the Education Service moved from the Communities Directorate to the People Directorate, which has impacted reporting.

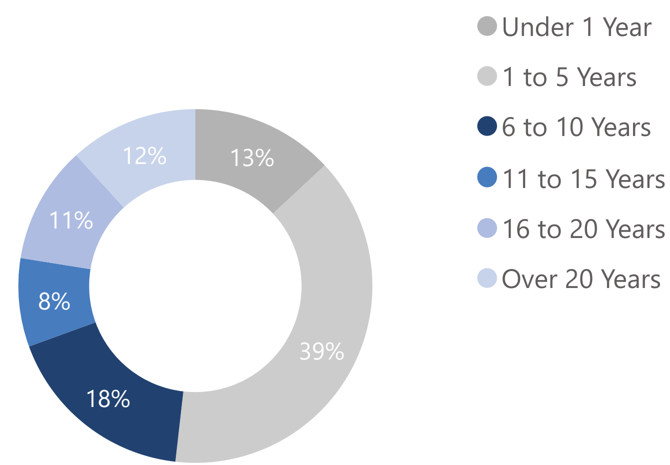
Our Diversity Data and Pay Gaps Report 2022-2023

Workforce Demographics - Length of Service

Total Headcount by Length of Service and Directorate 2023



WCC Length of Service 2023

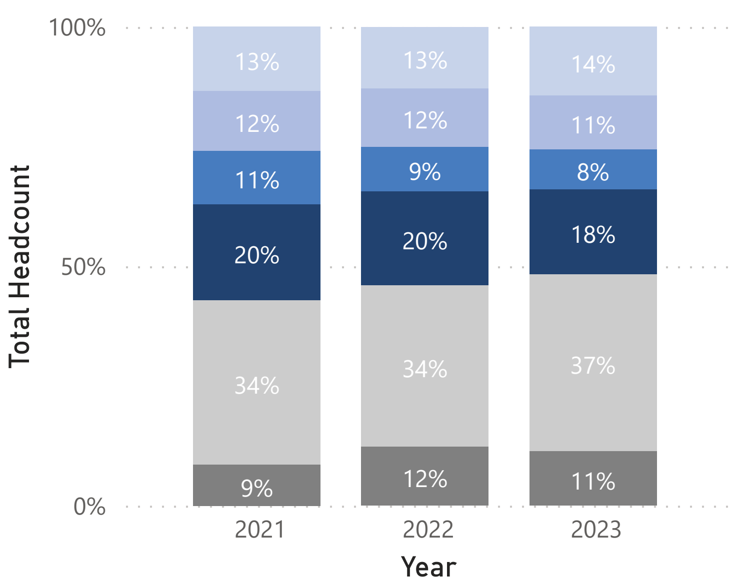


As of **March 31st 2023,** the proportion of employees who have been employed for **5 years or less** has **increased** to **51.8%** (50.5% 2022)

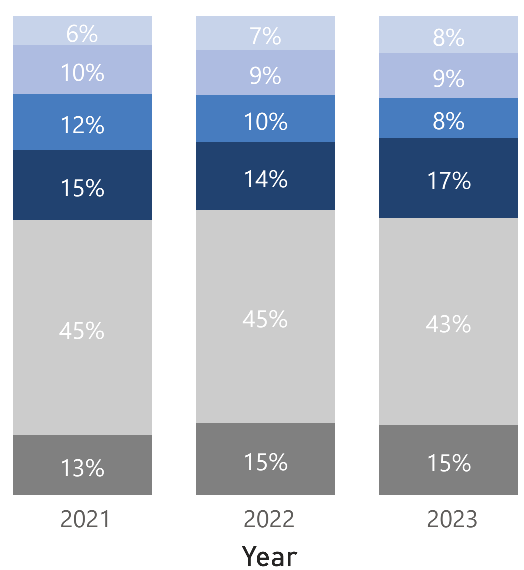
The proportion of employees who have been employed for **6 to 20 years** has **decreased** to **36.4%** (38.1% 2022)

The proportion of employees who have been employed for **over 20 years** has **increased** slightly to **11.8%** (11.3% 2022)

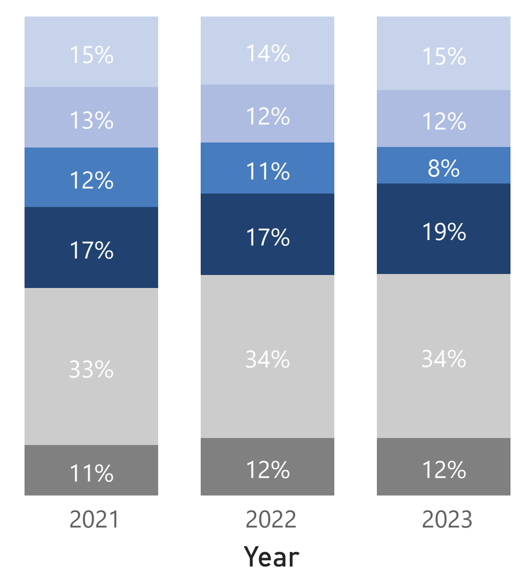
Communities Directorate - Length of Service



People Directorate - Length of Service



Resources Directorate - Length of Service



Length of service **5 years or less:**

Communities Directorate
48% (46% 2022)

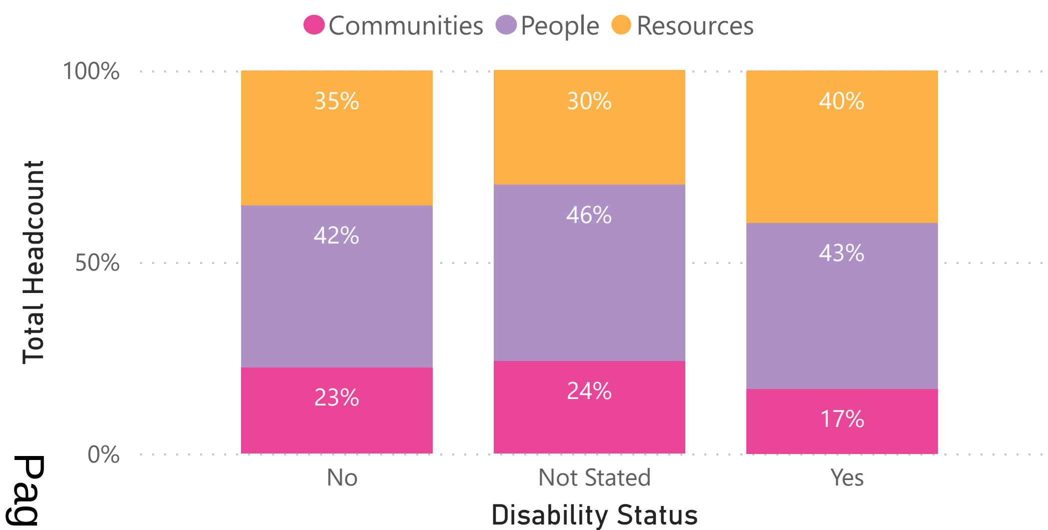
People Directorate
58% (60% 2022)

Resources Directorate
46% (46% 2022)

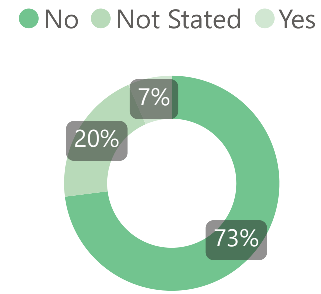
Our Diversity Data and Pay Gaps Report 2022-2023

Workforce Demographics - Disability

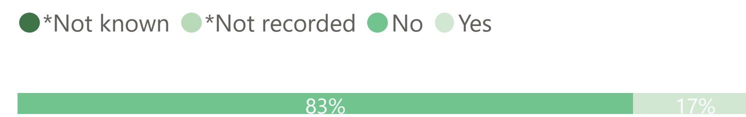
Disability Status by Directorate 2023



WCC Disability Status 2023



Warwickshire 2021 Census Data by Disability

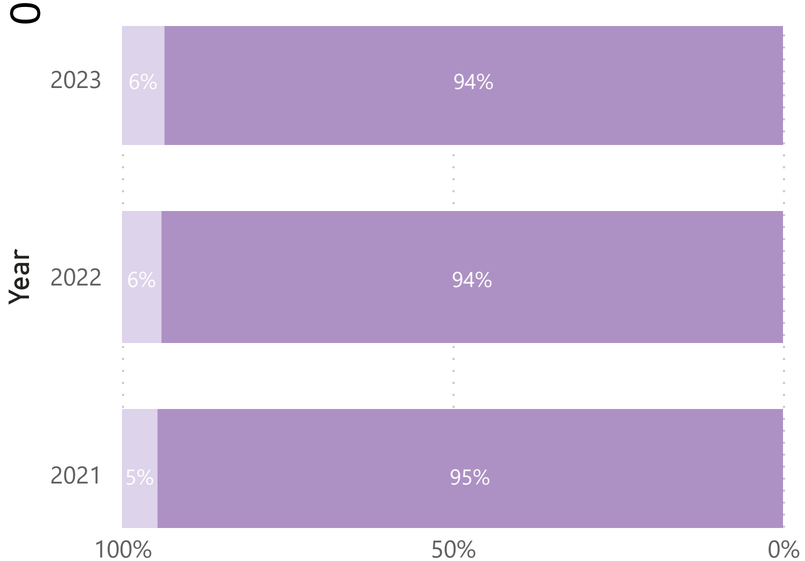


As of **March 31st 2023**, the proportion of employees in WCC who have **not recorded their disability** status is **20.4%** (20.6% 2022)

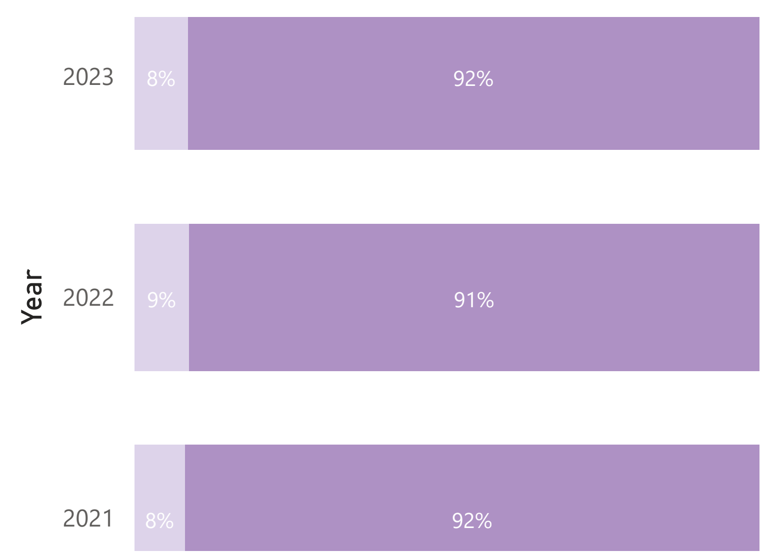
The proportion of employees in WCC who **have a declared disability** is **6.6%** (6.6% 2022)

The proportion of employees in WCC who **do not have a declared disability** is **73.0%** (72.8% 2022)

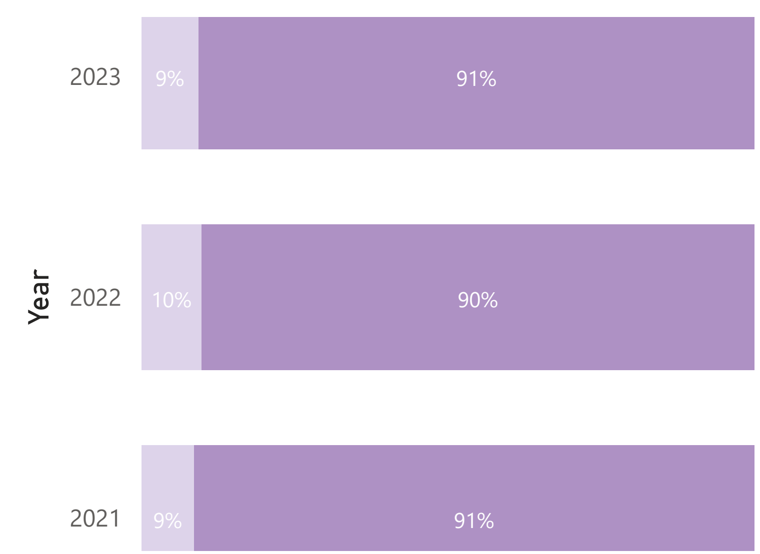
Communities Directorate - Disability Status



People Directorate - Disability Status



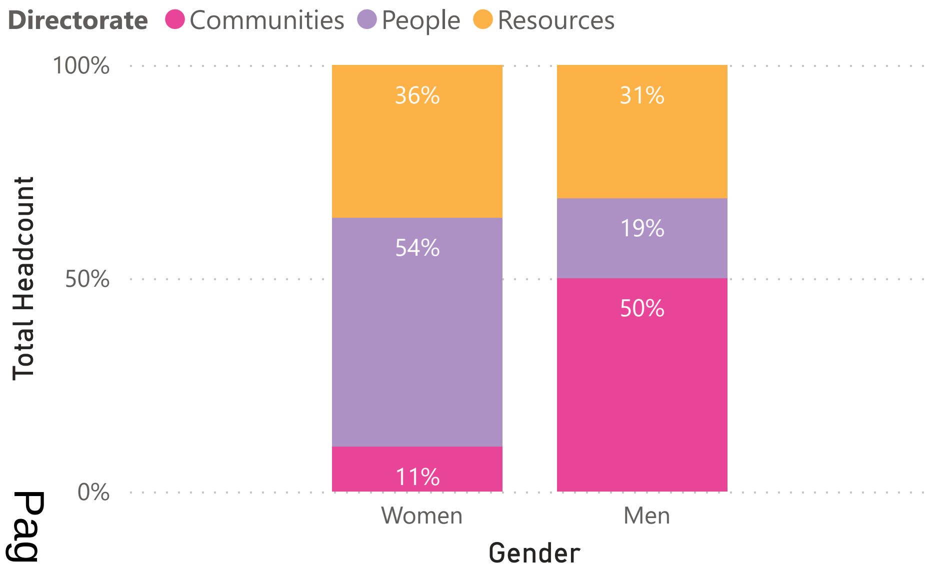
Resource Directorate - Disability Status

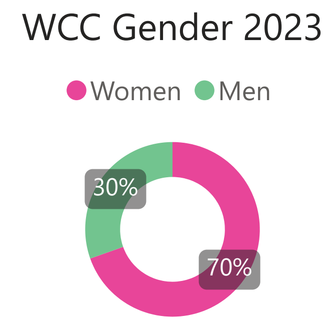


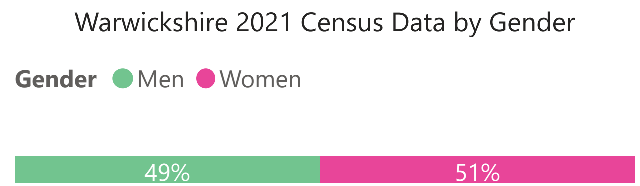
*Percentage above exclude 'Not known' and 'Not Stated' to allow direct comparison to the long-term health problem or disability Census 2011 profile for Warwickshire

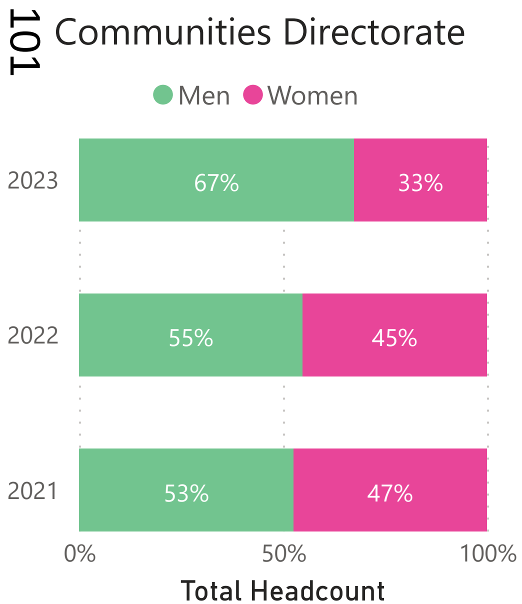
Our Diversity Data and Pay Gaps Report 2022-2023

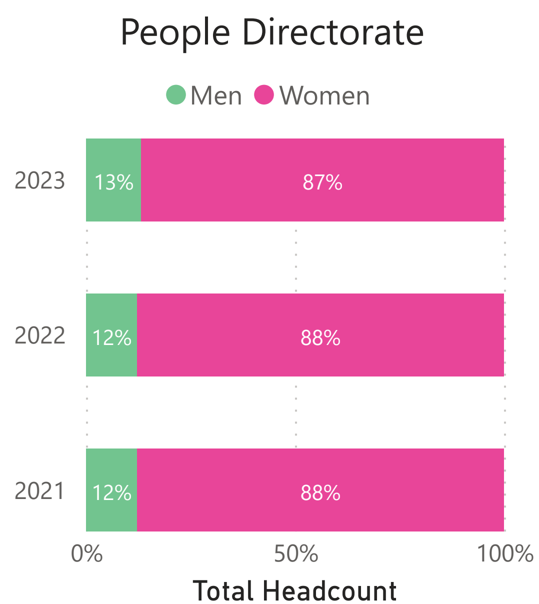
Workforce Demographics - Gender & Working Arrangements

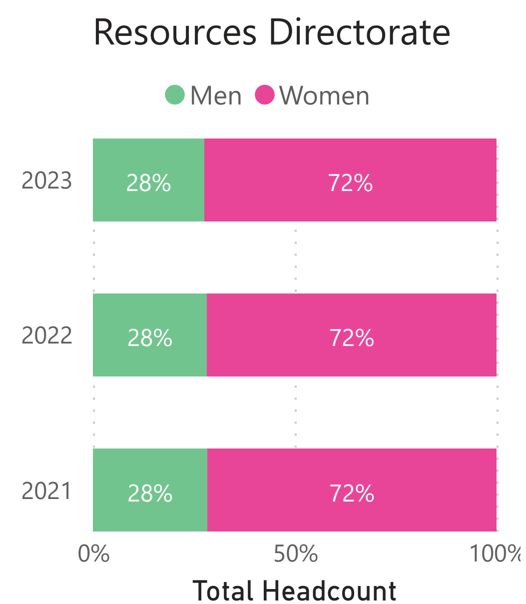






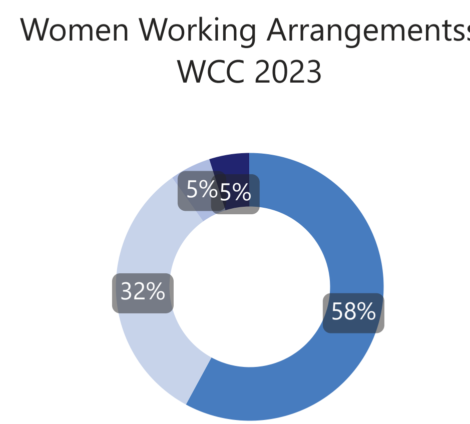


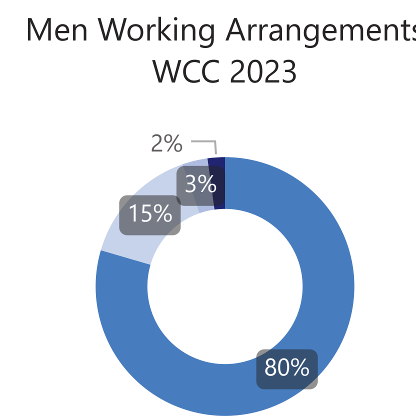




*Individuals of unspecified gender have been hidden due to low numbers to avoid individual identification

As of **31st March 2023**, **32.2%** of women were on **part time** contracts (32.8% 2022)
15.1% of **men** were on **part time** contracts (14.1% 2022)
57.9% of **women** were on **full time** contracts (56.6% 2022)
79.5% of **men** were on **full time** contracts (79.5% 2022)





Communities Directorate had 23.7% part time women (28.4% 2022), 15.9% part time men (15.8% 2022), 64.9% full time women (49.2% 2022) and 79.7% full time men (75.9% 2022).

People Directorate had 28.9% part time women (27.6% 2022), 16.3% part time men (8.9% 2022), 62.2% full time women (67.7% 2022) and 70.2% full time men (82.2% 2022).

Resources Directorate had 39.6% part time women (41.3% 2022), 12.8% part time men (13.4% 2022). 49.4% full time women (47.6% 2022), 85.0% full time men (84.6% 2022).

Our Diversity Data and Pay Gaps Report 2022-2023

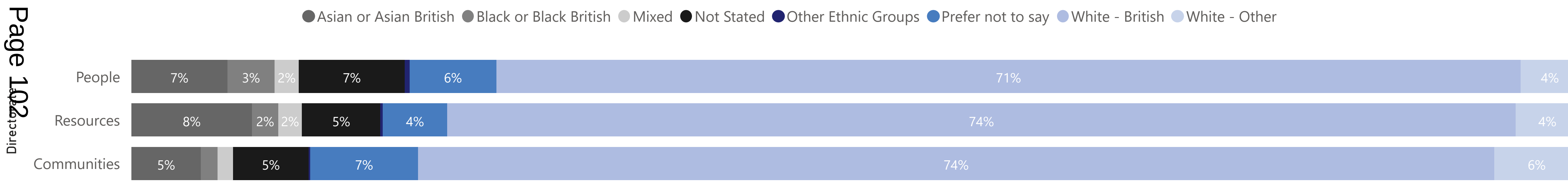
Workforce Demographics - Race (Ethnicity)

As of **31st March 2023**, the proportion of all employees who are Black or Black British is **2.3%** (2.2% 2022).

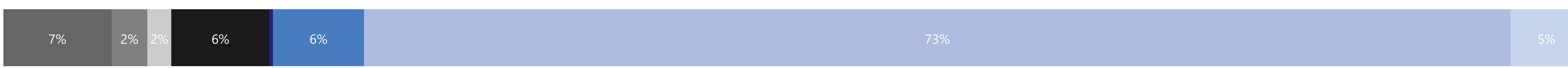
The majority of all employees are White British **72.6%** (73.3% 2022).

Directorate	White British	2022	Black or Black British	2022
Communities Directorate	**74.3%** White British	74.9% 2022	**1.2%** Black or Black British	0.9% 2022
People Directorate	**70.8%** White British	70.3% 2022	**3.3%** Black or Black British	3.7% 2022
Resources Directorate	**73.8%** White British	75.1% 2022	**1.8%** Black or Black British	1.7% 2022

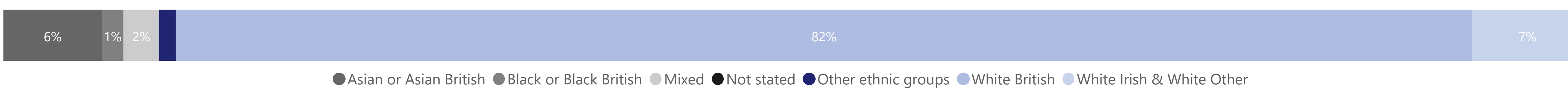
Ethnicity by Directorate 2023



WCC Ethnicity 2023



Census 2021



Our Diversity Data and Pay Gaps Report 2022-2023
Workforce Demographics - Religion & Sexual Orientation

Directorate Religion	Communities %	People %	Resources %	**Total** **%**	**2021 Census**
Agnostic	2%	2%	3%	**2%**	**0%**
Any other religion inc. Judaism and Buddhism	2%	1%	1%	**1%**	**1%**
Christianity (including all denominations)	23%	28%	28%	**27%**	**50%**
Hinduism	1%	1%	1%	**1%**	**2%**
Islam	2%	2%	1%	**2%**	**2%**
No Religion	27%	24%	22%	**24%**	**38%**
Not Stated	10%	14%	8%	**11%**	**0%**
Prefer not to say	32%	27%	32%	**30%**	**6%**
Sikhism	2%	2%	3%	**2%**	**2%**

*The percentage of employees who have a religion/faith is calculated with 'Not Stated' and 'No Religion' excluded from the data to allow for direct comparison to the Census 2021 profile for Warwickshire.

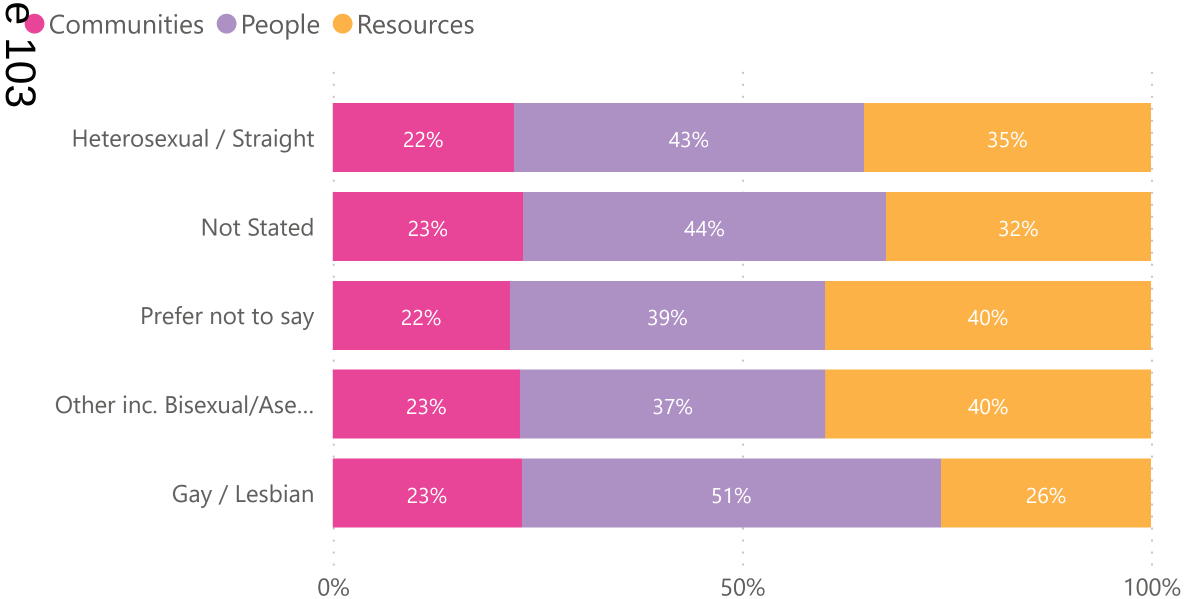
As of **31st March 2023**, **65.3%** of WCC employees have a religion/faith* (61.5% 2022)

63.5% of Communities Directorate have a religion/faith (57.6% 2022)

63.0% of People Directorate have a religion/faith (61.9% 2022)

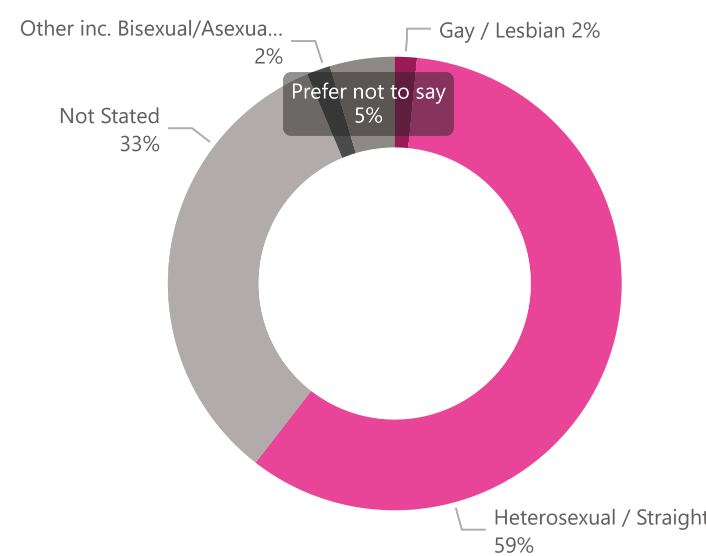
69.6% of Resources Directorate have a religion/faith (64.1% 2022)

Sexual Orientation by Directorate 2023



This shows the proportion of people in each category as per Directorate.

Sexual Orientation for WCC 2023



As of **31st March 2023**, **62.2%** of employees declared their sexuality (57.6% 2022)

61.3% of Communities Directorate declared their sexuality (54.5% 2022)

61.8% of People Directorate declared their sexuality (57.8% 2022)

63.3% of Resources Directorate declared their sexuality (60.2% 2022)

	Communities	People	Resources	WCC Total
Under £12.5k	7.4%			**1.8%**
£12.5k to £20k	1.1%	0.6%	1.4%	**1.0%**
£20k to £30k	28.8%	32.8%	52.8%	**38.5%**
£30k to £40k	42.4%	35.4%	25.0%	**33.6%**
£40k to £50k	13.4%	22.6%	11.7%	**16.8%**
£50k to £60k	4.5%	4.5%	5.5%	**4.8%**
Over £60k	2.4%	4.2%	3.6%	**3.5%**

Gender & Salary 2023

	Communities	People	Resources	Total
Under £12.5k				
Men	7.1%			**1.7%**
Women	0.3%			**0.1%**
£12.5k to £20k				
Men	1.0%	0.1%	0.6%	**0.5%**
Women	0.1%	0.5%	0.8%	**0.5%**
£20k to £30k				
Men	17.0%	4.1%	12.2%	**9.9%**
Women	11.8%	28.8%	40.7%	**28.7%**
£30k to £40k				
Men	29.6%	4.9%	9.9%	**12.5%**
Women	12.8%	30.3%	15.1%	**21.1%**
£40k to £50k				
Men	9.7%	2.7%	4.9%	**5.1%**
Women	3.7%	20.0%	6.8%	**11.7%**
£50k to £60k				
Men	3.5%	0.8%	2.1%	**1.9%**
Women	1.1%	3.7%	3.4%	**3.0%**
Over £60k				
Men	1.7%	0.9%	1.6%	**1.3%**
Women	0.7%	3.2%	1.9%	**2.2%**

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As of **31st March 2023**, the proportion of the workforce earning **£30,000 or more** is **58.7%** (54.7% 2022)

Communities Directorate	**62.7%** Over £30,000	61.7% 2022
People Directorate	**66.6%** Over £30,000	61.1% 2022
Resources Directorate	**45.8%** Over £30,000	41.8% 2022

3.2% of all employees are **men** and earn **£50,000 or more** (3.1% 2022). This was **higher** for women **5.2%** (4.5% 2022)

Communities Directorate - **5.2%** of Communities Directorate employees are **men** and earned **£50,000 or more** (4.3% 2022). This was **lower** for women **1.8%** (4.3% 2022)

People Directorate - **1.7%** of People Directorate employees are **men** and earned **£50,000 or more** (1.3% 2022). This was **higher** for women **6.9%** (4.6% 2022)

Resources Directorate - **3.7%** of Resources Directorate employees are **men** and earned **£50,000 or more** (3.7% 2022). This was **higher** for women **5.3%** (4.8% 2022)

*The figures are based on FTE and excludes 6.0 FTE who are of either unspecified gender; lacking salary information; or who do not report to a Directorate - these employees have been excluded from this analysis

Our Diversity Data and Pay Gaps Report 2022-2023
Workforce Turnover - Starters & Leavers

Starters and Leavers 1st April 2022 to 31st March 2023

Directorate	Starters Headcount	Leavers Headcount	Total Headcount
People	325	324	2154
Resources	237	207	1715
Communities	168	116	1126
Total	**730**	**647**	**4993**

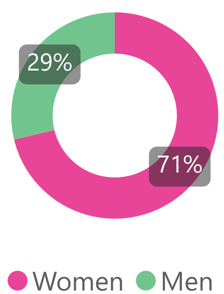
As of **31st March 2023**, WCC had a **13.0%** employee turnover rate (13.0% 2022)

Communities Directorate had a **10.3%** employee turnover rate (14.3% 2022)

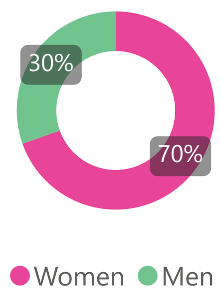
People Directorate had a **15.0%** employee turnover rate (13.4% 2022)

Resources Directorate had a **12.1%** staff turnover rate (11.7% 2022)

Starters Gender 2021



Leavers Gender 2023

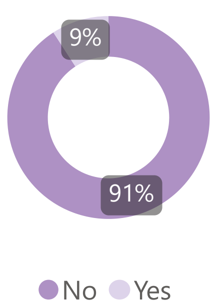


71% of all **starters** were **women** (71.0% 2022) and **70%** of all **leavers** were **women** (71.0% 2022). This compares to **69.5%** of the workforce who are **women**

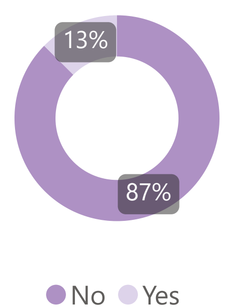
20.1% of **starters** and **17.8%** of **leavers** were of **GEM origin** (19.4% and 13.8% in 2022 respectively). This compared to **15.4%** of the workforce who are of **GEM origin.** **individual ethnicities not included due to small numbers to avoid individual identification*

66.0% of **leavers** had given **5 or less years** of Service (61.8% 2022)

Starters Disability 2023

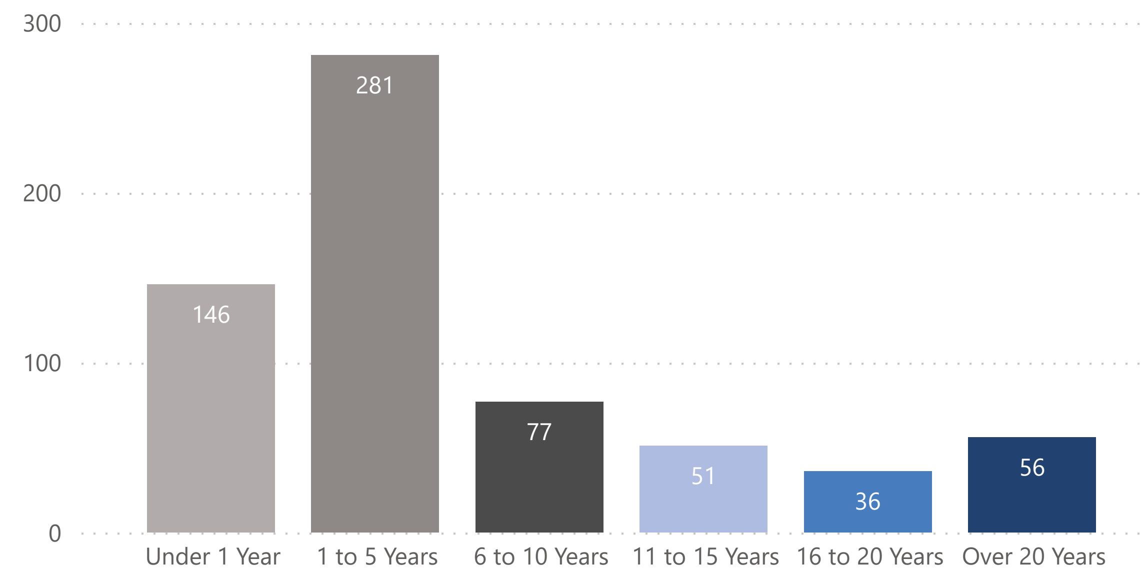


Leavers Disability 2023



9.2% of **starters** and **12.6%** of **leavers** stated they **had a declared disability** (8.1% and 10.0% in 2022 respectively)

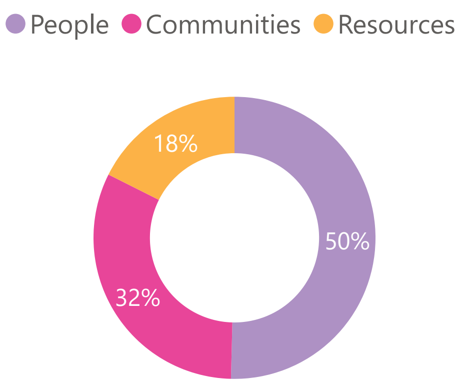
Leavers Headcount by Length of Service



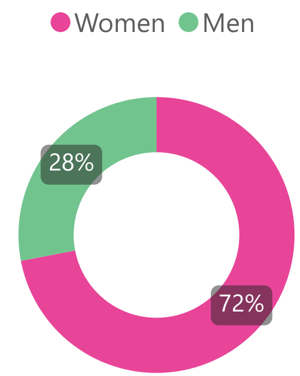
Our Diversity Data and Pay Gaps Report 2022-2023

Workforce Turnover - Promotions

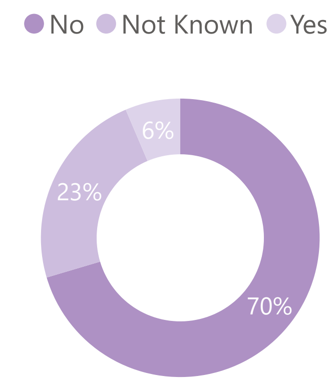
Promotions by Directorate



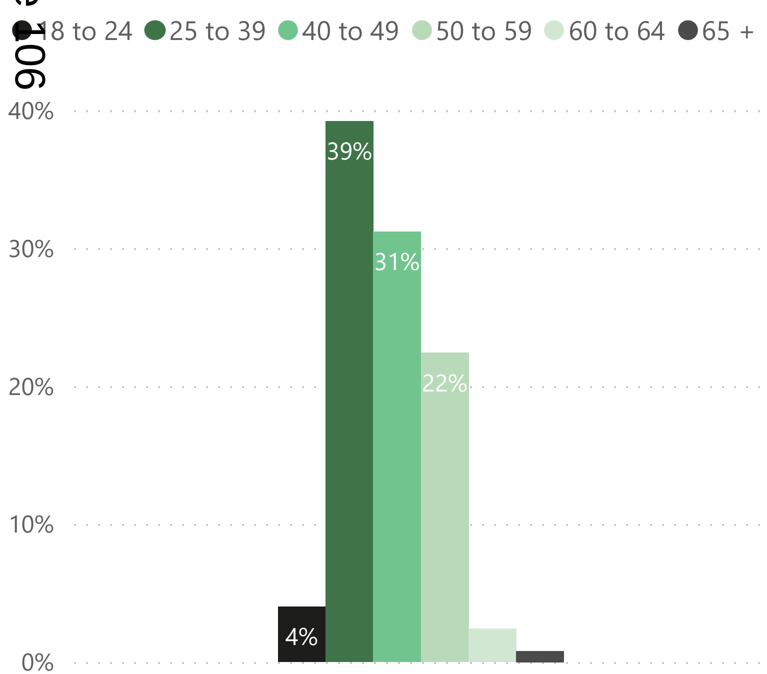
% Promotions by Gender



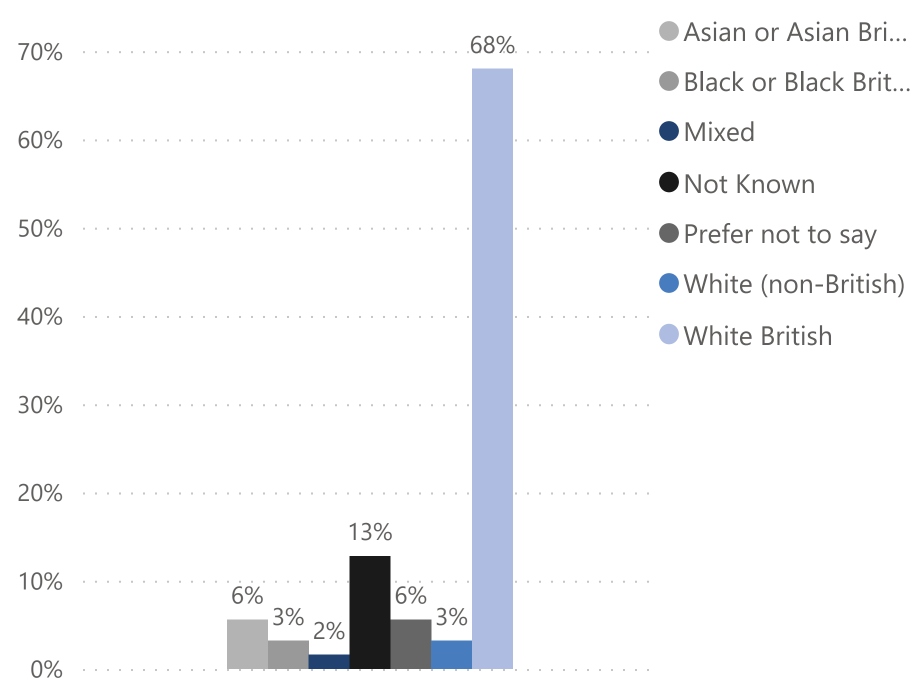
% Promotions by Disability Status



% Promotions by Age Grouping



% Promotions by Ethnicity



As of **31st March 2023**, **2.5%** (125) of employees in WCC were promoted (147 in 2022)

72.0% of promotions were achieved by **women** employees (81.0% 2022). 69.5% of the workforce are women.

6.4% of promotions were achieved by employees with a **declared disability** (10.9% 2022). 6.6% of the workforce have a declared disability.

39.2% of promotions were achieved by employees aged **25 - 39 years old** (50.3% 2022). 29.7% of the workforce are between the ages of 25 - 39 years old.

19.2% of promotions were achieved by **GEM** employees (16.3% 2022). 15.4% of the workforce are GEM.

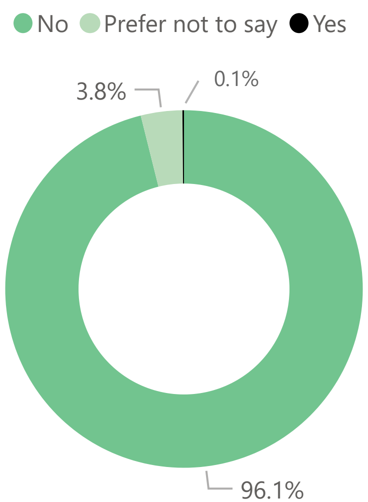
For 2023 data, ethnicity breakdown is available as follows:
3.2% of promotions were achieved by **Black or Black British**. 2.3% of the workforce are Black or Black British.
5.6% of promotions were achieved by **Asian or Asian British**. 6.8% of the workforce are Asian or Asian British.
1.6% of promotions were achieved by **Mixed**. 1.5% of the workforce are Mixed.

96.0% of promotions were achieved by employees earning **£20,000 to £50,000** (93.9% 2022). 88.9% of the workforce earn between £20,000 to £50,000.

Our Diversity Data and Pay Gaps Report 2022-2023

Workforce - Trans Status, Socio-Economic Background and Caring Responsibilities

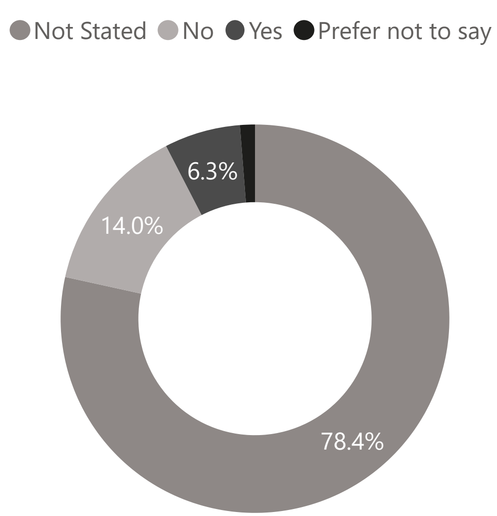
Trans Status



As of 31st March 2023, **1358** employees had filled in information regarding trans status in Your HR. This equates to **27.2%** of the workforce.

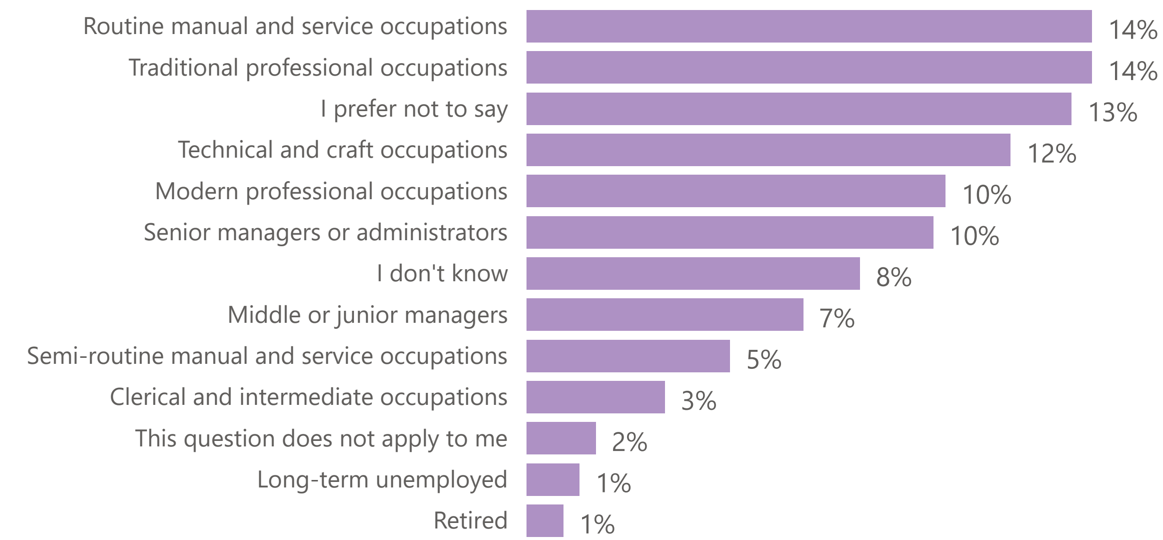
(Total Headcount is 4998 excluding casuals & contractors)

Caring Responsibilities



As of 31st March 2023, **1077** employees had filled in information regarding caring responsibilities in Your HR. This equates to **21.5%** of the workforce.

Socio Economic Background



As of 31st March 2023, **1007** employees had filled in information regarding socio-economic background in Your HR. This equates to **20.1%** of the workforce.

Of the 1007 declarations, **13.8%** and **13.8%** respectively are from "**Traditional professional occupations**" and "**Routine manual and service occupations**".

Occupations which fall into these categories include: accountant, solicitor, medical practitioner (for Traditional Professional); and HGV driver, van driver, cleaner, waiter / waitress, bar staff (for Routine Professional); amongst others.

Hourly Pay Rates (with salary sacrifice)

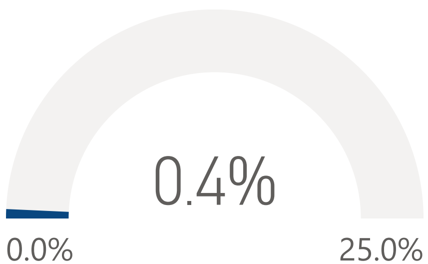
The gender pay gap is an equality measure that shows the difference in average (mean and median) earning between women and men.

£17.76	Mean Womens Hourly Rate 2023
£17.82	Mean Mens Hourly Rate 2023
0.4%	Mean Gender Pay Gap 2023
£16.17	Median Womens Hourly Rate 20...
£16.58	Median Mens Hourly Rate 2023
2.5%	Median Gender Pay Gap 2023

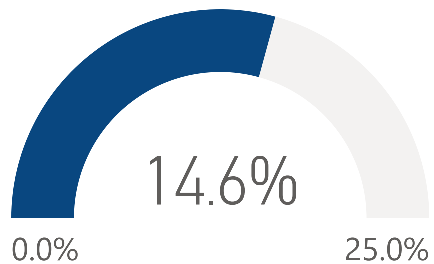
There is a **0.4%** Pay Gap (2.4% 2022) between the mean hourly rate of men and women at 31st March 2023. This gap has decreased.

There is a **2.5%** Pay Gap (7.6% 2022) between the median hourly rate of men and women at 31st March 2023. This gap has decreased.

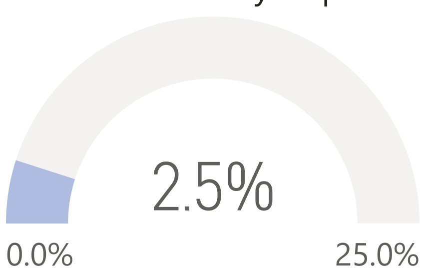
Mean Gender Pay Gap 2023



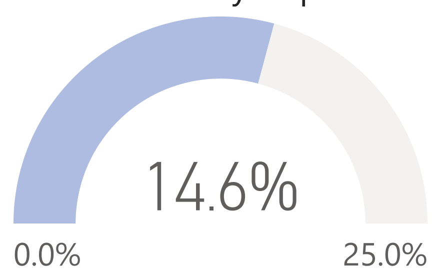
Mean Bonus Pay Gap 2023



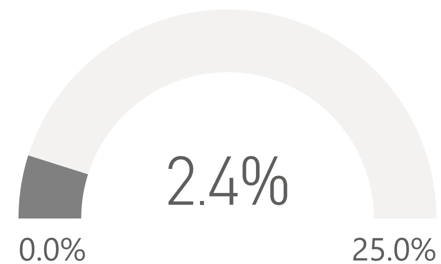
Median Gender Pay Gap 2023



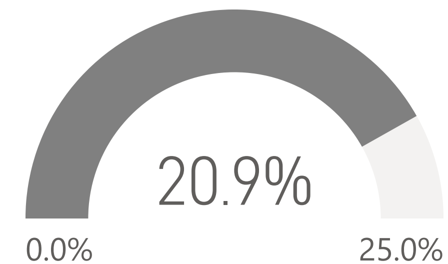
Median Bonus Pay Gap 2023



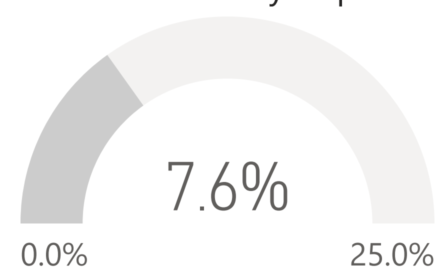
Mean Gender Pay Gap 2022



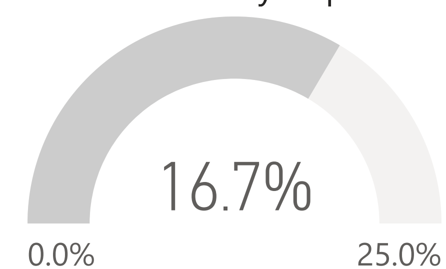
Mean Bonus Pay Gap 2022

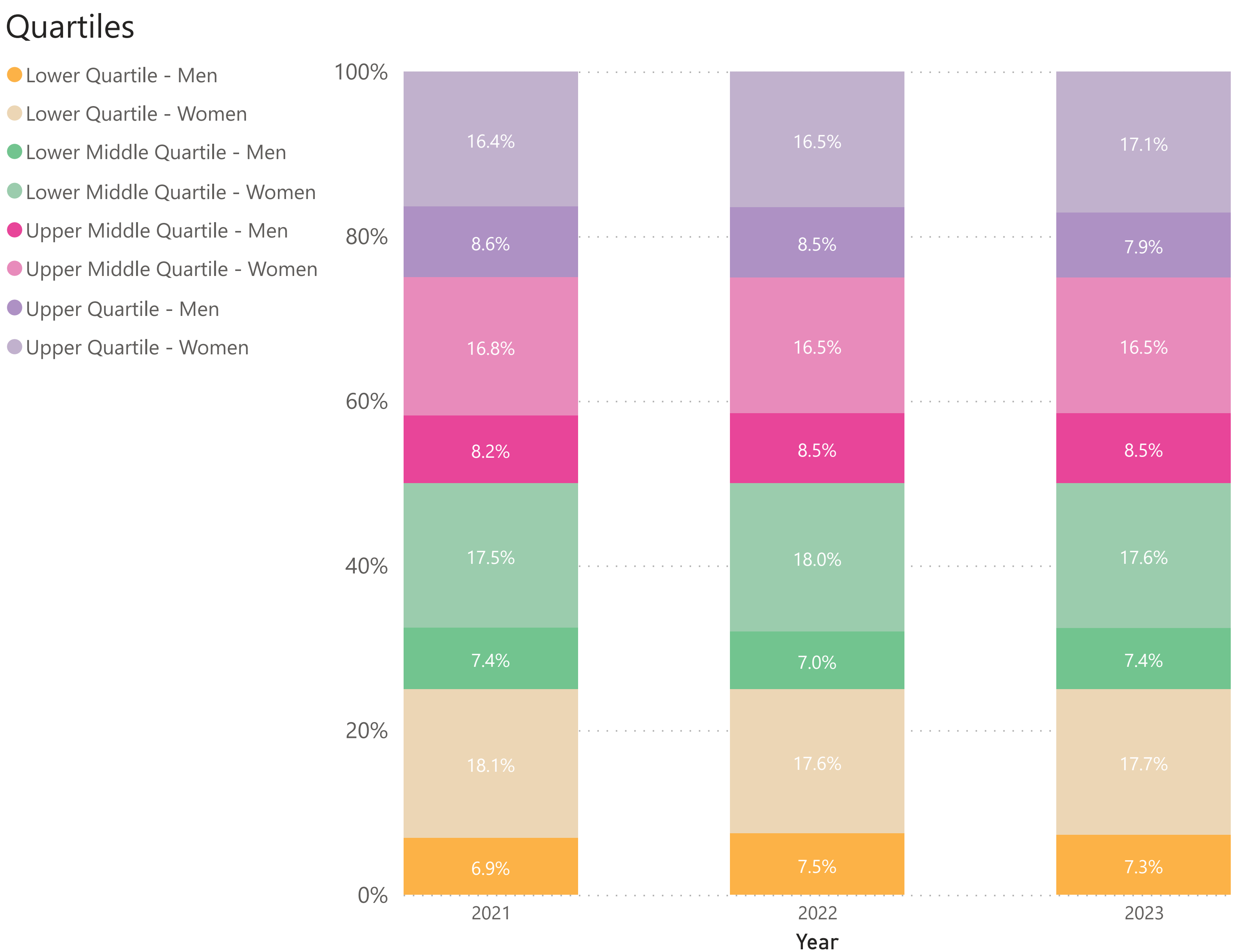


Median Gender Pay Gap 2022



Median Bonus Pay Gap 2022





Upper Quartile

The proportion of **women** in the upper quartile has **increased** from 2022

68.5% of people in the upper quartile are women (65.9% 2022) whereas 31.5% are men (34.1% 2022)

Upper Middle

The proportion of **women** in the upper middle quartile has **remained the same** as 2022

66.0% of the upper middle quartile are women (66.0% 2022)
34.0% of the upper middle quartile are men (34.0% 2022)

Lower Middle

The proportion of **women** in the lower middle quartile has **decreased** from 2021

70.3% of the lower middle quartile are women (72.1% 2022)
29.7% of people in the lower middle quartile are men (27.9% 2022)

Lower Quartile

The proportion of **women** in the lower quartile has **increased** slightly from 2021

70.7% of the lower quartile are women (70.2% 2022)
29.3% of people in the lower quartile are men (29.8% 2022)

Within Warwickshire County Council, 69.5% of employees are women, as of 31st March 2023

Hourly Pay Rates (with salary sacrifice)

The ethnicity pay gap is an equality measure that shows the difference in average (mean and median) earning between GEM and White British / Not Stated employees.

£17.82
Mean GEM Hourly Rate 2023

£17.77
Mean White British / Not Stated Hourly Rate 2023

-0.2%
Mean Ethnicity Pay Gap 2023

There is a **-0.2%** Pay Gap (0.2% 2022) between the mean hourly rate of GEM employees and White British or Not Stated at 31st March 2023. This gap has decreased.

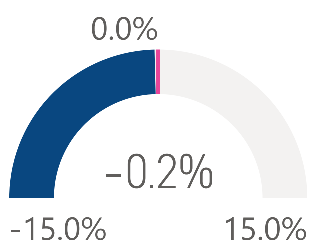
£16.58
Median GEM Hourly Rate 2023

£16.58
Median White British / Not Stated Hourly Rate 2023

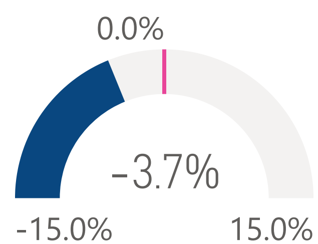
0.0%
Median Ethnicity Pay Gap 2023

There is a **0.0%** Pay Gap (-5.1% 2022) between the median hourly rate of GEM employees and White British or Not Stated at 31st March 2023. There is no gap.

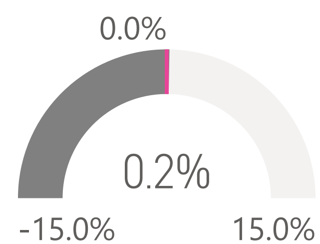
Mean Pay Gap 2023



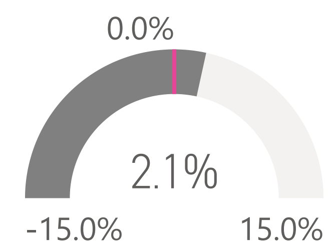
Mean Bonus Pay Gap 2023



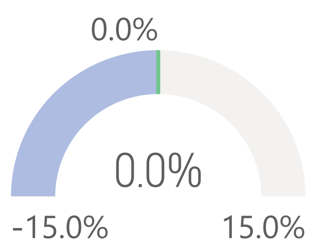
Mean Pay Gap 2022



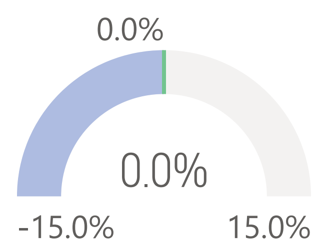
Mean Bonus Pay Gap 2022



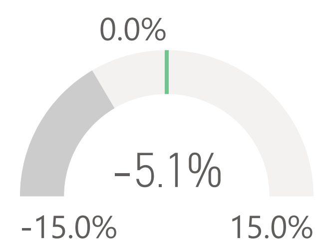
Median Pay Gap 2023



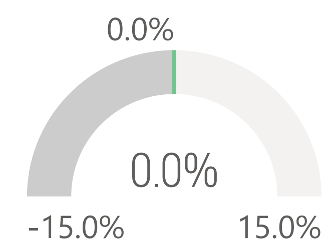
Median Bonus Pay Gap 2023



Median Pay Gap 2022



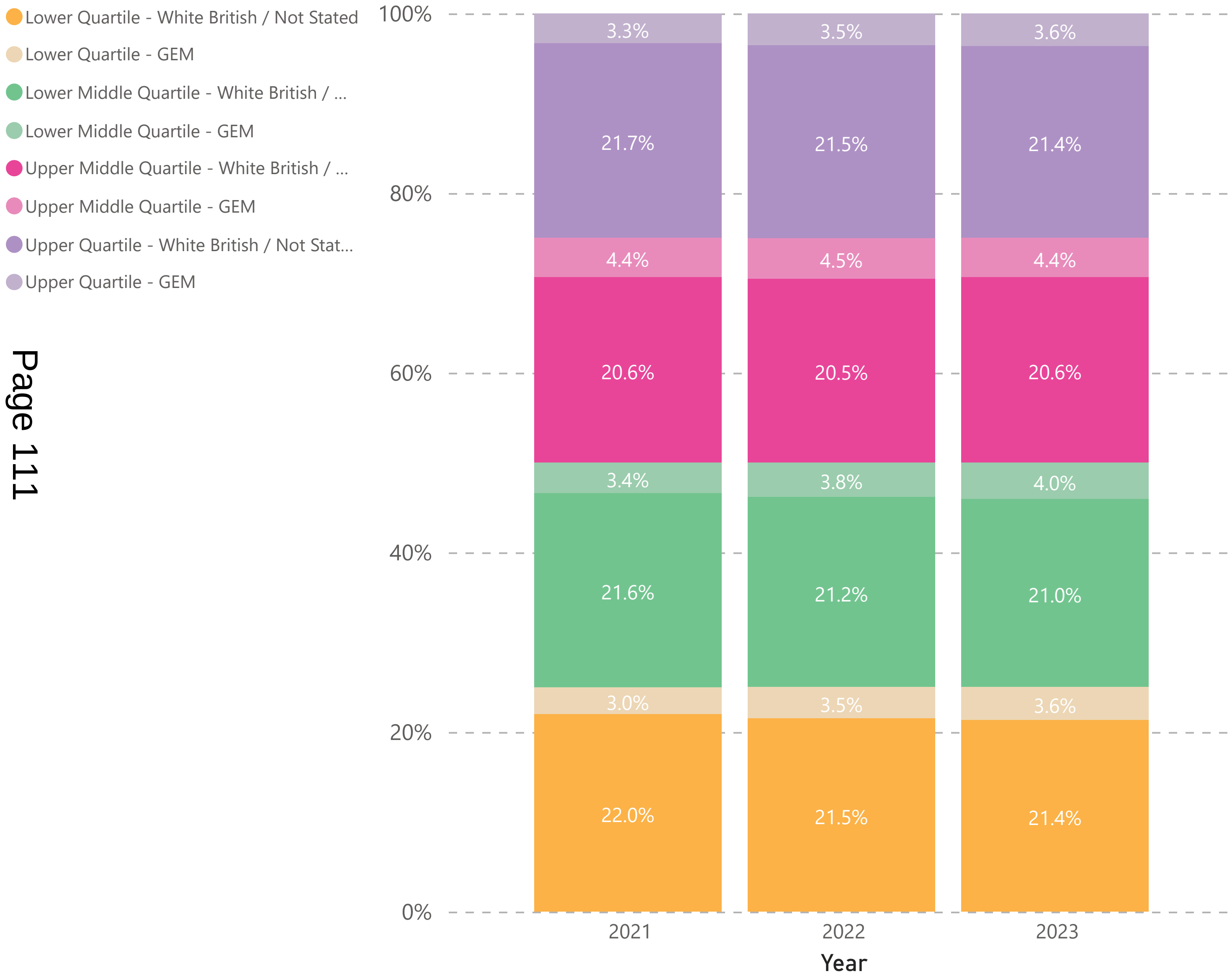
Median Bonus Pay Gap 2022



Our Diversity Data and Pay Gaps Report 2022-2023

Ethnicity Pay Gap - Pay Band Quartiles

Quartiles



Upper Quartile

The proportion of **GEM** employees in the upper quartile has slightly **increased** from 2022

14.4% of the upper quartile identify as **GEM** employees (14.1% 2022)

Upper Middle

The proportion of **GEM** employees in the upper middle quartile has **decreased**

17.5% of the upper middle quartile are **GEM** employees (18.1% 2022)

Lower Middle

The proportion of **GEM** employees in the lower middle quartile has **increased**

16.1% of the lower middle quartile are **GEM** identifying (15.4% 2022)

Lower Quartile

The proportion of **GEM** employees in the lower quartile has **increased**

14.6% of employees in the lower quartile are **GEM** (13.9% 2022)

Within Warwickshire County Council, 15.4% of employees are GEM as of 31st March 2023

Hourly Pay Rates (with salary sacrifice)

We recognise that Global Ethnic Majorities (GEM) combines and includes a wide range of ethnicities. Therefore, we have disaggregated our ethnicity pay gap data to explore it further.

Please note all % pay gap figures on this page have been calculated as a % of the Mean Hourly Rate of White British employees (**£17.78**), whereas on previous pages the calculation has been created as a % of White British and Not Stated

£17.78
Mean Asian or Asian British Hourly Rate 2023

Relevant Asian or Asian British Employees
301

0.40%
Mean Asian / Asian British Pay Gap 2023

£18.33
Mean Black or Black British Hourly Rate 2023

Relevant Black or Black British Employees
103

-2.65%
Mean Black / Black British Pay Gap 2023

£17.37
Mean White - Non-British Hourly Rate 2023

Relevant White - Non-British Employees
204

2.70%
Mean White - Non-British Pay Gap 2023

£18.64
Mean Mixed Hourly Rate 2023

Relevant Mixed Employees
67

-4.41%
Mean Mixed Pay Gap 2023

£17.85
Mean White British Hourly Rate 2023

White British Relevant Employees
3215

The figures shown here are the Mean Hourly Rate for White British Relevant Employees, which is the figure used to calculate the % pay gaps on this page; and the number of White British Relevant Employees.

£17.77
Mean White British / Not Stated Hourly Rate 2023

White British / Not Stated Relevant Employees
3699

These are the figures for White British and "Not Stated" Relevant Employees, which have been used to calculate the % pay gap on the previous two pages. This figure is used to ensure we are reporting on all relevant employees.

Ref: GPG23 | Version: 1.1 | Status: Dev
For queries, contact businessintelligence@warwickshire.gov.uk
Please quote the Ref number in your email

Hourly Pay Rates (with salary sacrifice)

The disability pay gap is an equality measure that shows the difference in average (mean and median) between employees with and without a declared disability.

£16.88
Mean Disabled Hourly Rate 2023

£17.85
Mean Non-Disabled / Not Known Hourly Rate 2023

5.4%
Mean Disability Pay Gap 2023

There is a **5.4%** Pay Gap (2.4% 2022) between the mean hourly rate of employees with and without a declared disability or Not Stated at 31st March 2023. This gap has increased.

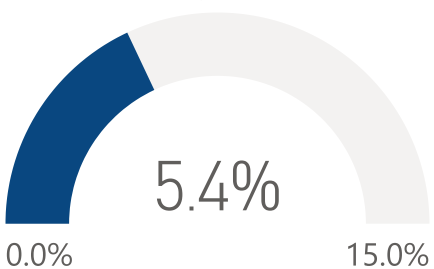
£15.25
Median Disabled Hourly Rate 2023

£16.58
Median Non-Disabled / Not Known Hourly Rate 2023

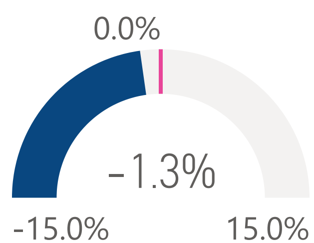
8.0%
Median Disability Pay Gap 2023

There is a **8.0%** Pay Gap (4.9% 2022) between the median hourly rate of employees with and without a declared disability or Not Stated at 31st March 2023. This gap has increased.

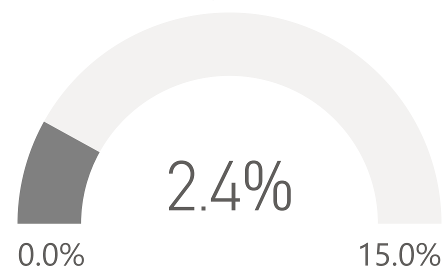
Mean Pay Gap 2023



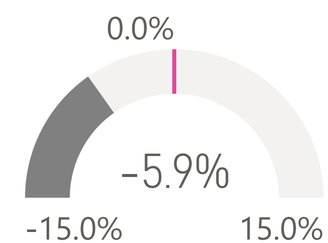
Mean Bonus Pay Gap 2023



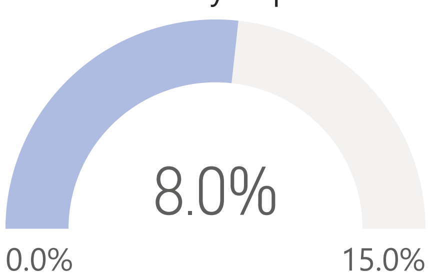
Mean Pay Gap 2022



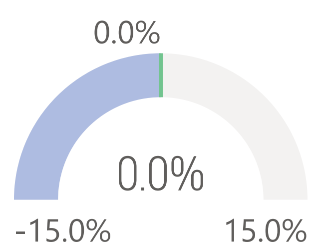
Mean Bonus Pay Gap 2022



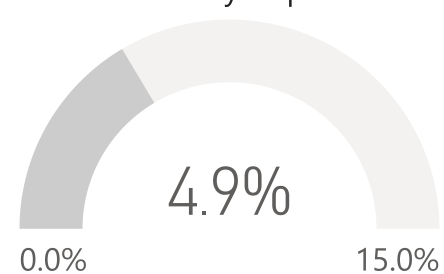
Median Pay Gap 2023



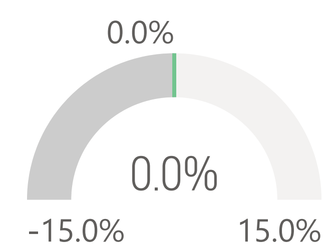
Median Bonus Pay Gap 2023



Median Pay Gap 2022

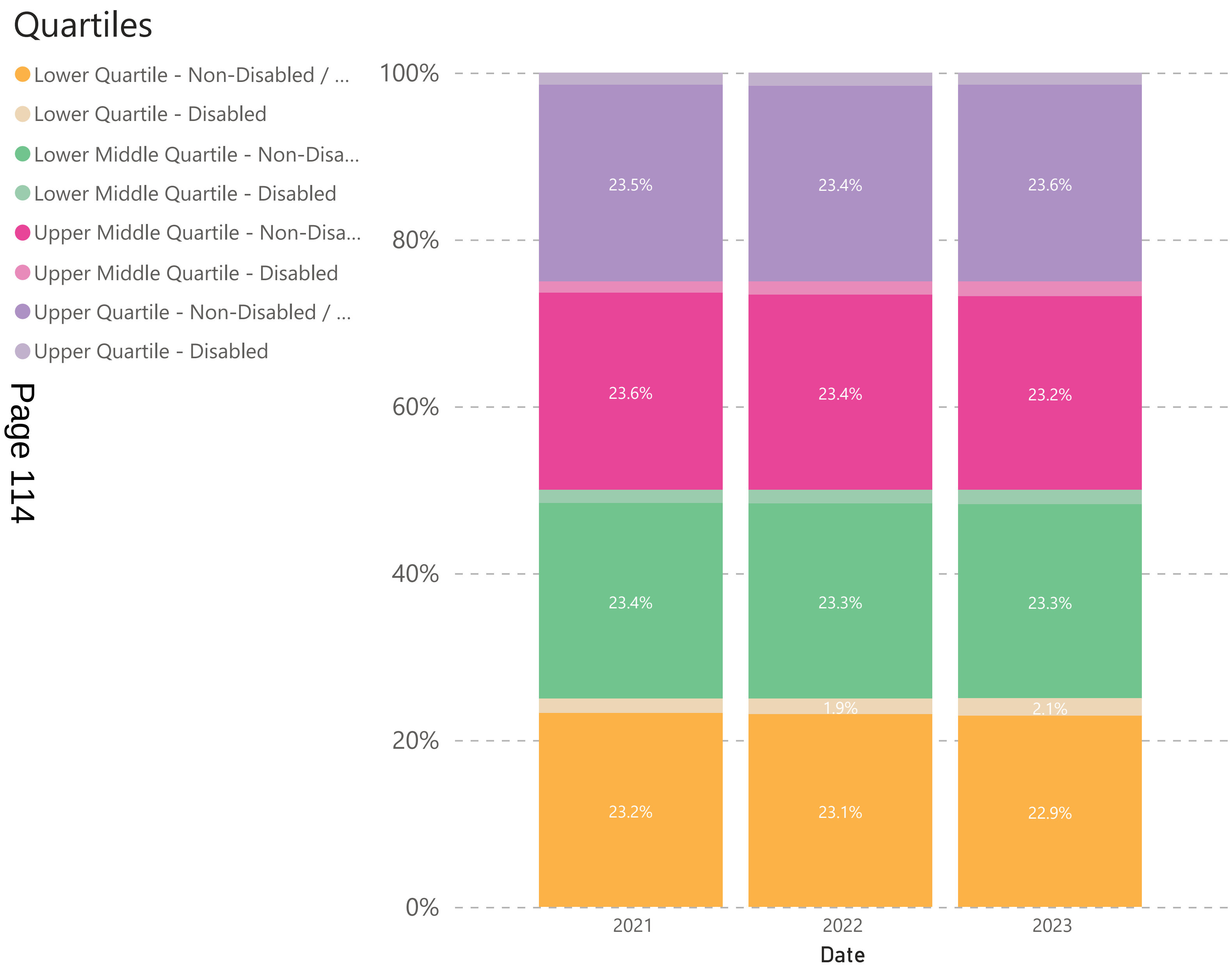


Median Bonus Pay Gap 2022



Our Diversity Data and Pay Gaps Report 2022-2023

Disability Pay Gap - Pay Band Quartiles



Upper Quartile

The proportion of employees with a **declared disability** in the upper quartile has slightly **decreased** from 2022
5.7% of employees in the upper quartile have a **declared disability** (6.2% 2022)

Upper Middle

The proportion of employees with a **declared disability** in the upper middle quartile has **increased** from 2022
7.1% of employees in the upper middle quartile have a **declared disability** (6.4% 2022)

Lower Middle

The proportion of employees with a **declared disability** in the lower middle quartile has slightly **increased** from 2022
6.8% of employees in the lower middle quartile have a **declared disability** (6.6% 2022)

Lower Quartile

The proportion of employees with a **declared disability** in the lower quartile has slightly **increased** from 2022
8.3% of employees with a **declared disability** are in the lower quartile (7.5% 2022)

Within Warwickshire County Council, 6.6% of employees have a declared disability as of 31st March 2023

EDI in action

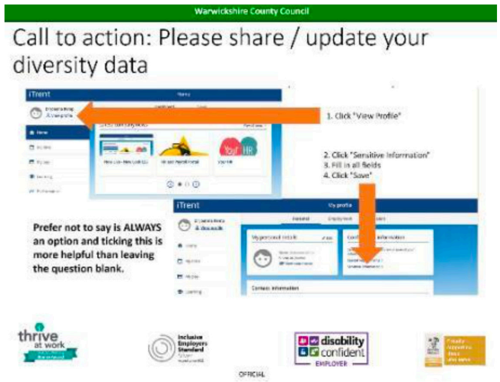
2022/2023

Warwickshire County Council

EDI in action

Data confidence

We have continued our efforts to increase disclosure rates to help us better understand our landscape, identify key issues and measure progress. We have been working on building trust and educating both the public and our colleagues on what happens when individuals share their data and how this is used to inform decision making.



Two short videos were created to share with colleagues and the public when completing surveys, explaining how sharing data can lead to better decision making and understanding of our communities and any issues they may face. Our guidance for collecting diversity data was updated to include questions around socio-economic background which will aid us in our future work around social mobility and levelling up.

Colleagues from the Engagement Team developed and now deliver sessions on how to engage with people in an inclusive way, and best practice for collecting and analysing diversity data. In this year's YourSay survey, 68% of those who completed it stated that they understand how their diversity data is used to add value to the organisation. This gives us a good benchmark as we continue this area of work.

Hidden Disabilities membership

We are now a members of the Hidden Disabilities Sunflower Scheme. The Hidden Disabilities Sunflower enables people with non-visible disabilities to access the support they need. It acts as a prompt for someone to choose to let people around them know they have a non-visible disability and that they may need a helping hand, understanding, or simply more time.

As part of this scheme, colleagues now have access to:

- E-learning on how to recognise the sunflower.
- Face-to-face or virtual training on how to support customers and colleagues with non-visible disabilities or health conditions, including support with reasonable adjustments.

Adjustments and Access to work.

- Sunflower lanyards and posters to wear and display in workplaces.
- An online index of health conditions with suggested support, and templates for discussing reasonable adjustments.

"The training was really insightful and made the whole team stop and think about how we can support customers and how to frame how that support can be provided."

Autism acceptance and our Neurodiversity network

March 2023 saw Neurodiversity Celebration Week and Autism Acceptance Week. Our Disability Commissioning Team used these to raise awareness of the useful information and resources available to neurodivergent people and families and to promote neurodiversity acceptance, as part of the local Autism Strategy. This included training sessions for professionals and families, videos, books, webpages and blogs written by neurodiverse individuals, and signposting to where people can find support locally.

Alex Manners, local neurodiversity and autism speaker, Asperger's champion, presenter and author, came to deliver two talks: "My Life Living With Asperger's", and "Autism/Asperger's in the Workplace."

The sessions gave information about what living and working with Asperger's is like and how positivity has allowed Alex to pursue his passions. They demonstrated how valuable Autistic people/people with Aspergers can be to a business and how to support them in the workplace. By creating a psychologically safe space, participants were able to ask questions to better understand autism and neurodiversity and gain practical advice for supporting neurodivergent colleagues and loved ones, as well as advocating for themselves.

We have also created a Neurodiversity Network, which aims to provide a safe space for all colleagues to come together for support and to share experiences if they, or a family/friend/loved one, is (or suspects/identifies as) neurodivergent. Like all our networks, this has been created and is run by WCC colleagues who have experiences of neurodiversity themselves. It includes a mix of virtual and face-to-face meetings, as well as a Teams Channel and Yammer Group. This ensures that colleagues who cannot attend the meetings can still get involved.

"It has meant a lot to me to have support and know that I'm not alone, others in the organisation willing to share and give tips, ideas and advice on something that is so overwhelming is a great help and I hope to continue to gain knowledge and understand things for my own sanity and to support my daughter. Thank you all."

Health Equalities assessment tool

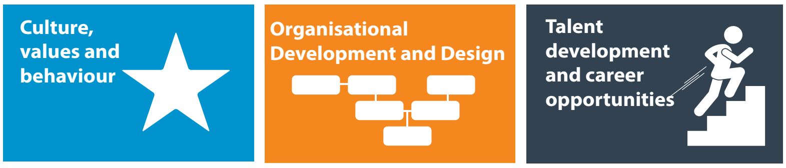
Organisational Development and Design

Colleagues from our EDI team and Public Health have been working together to reduce health inequalities by ensuring services are provided in an integrated way. As a result, our Equality Impact Assessments now include the following Health Inequalities considerations:

1. What health inequalities (HI) exist in relation to your work?
2. How might your work affect HI (positively or negatively)?
3. How might your work address the needs of different groups that share protected characteristics?
4. What are the next steps?

The Health Equity Assessment Tool (HEAT) was introduced as a resource to enable professionals to systematically address inequalities and equity in programmes and services to drive change and generate improvements. Health inequalities have been documented between population groups across at least four dimensions including socio-economic status and deprivation, protected characteristics, vulnerable groups in society, and geography. It is important to note that these are overlapping dimensions with people often falling into various combinations of these categories.

Warwickshire Fire and Rescue Service (WFRS) leading the way with EDI



There have been a lot of changes around EDI in the year 2022-2023 within WFRS.

A new EDI plan and narrative

In September 2022, a new EDI plan was launched, aligning EDI with every stage of the employee lifecycle. The aim was to ensure that our people feel that EDI is important at every stage of the employee lifecycle; from attraction and recruitment, through to development and talent management, and even as they exit.

Underpinning this new narrative are three major influences:

- The recently launched National Fire Chiefs' Council Core Code of Ethics for all fire service personnel.
- Recommendations from the previous HMICFRS (His Majesty's Inspectorate for Constabulary and Fire and Rescue Services) report.
- An appreciative inquiry named 'Doing Our Best To Be Our Best', which was conducted in the summer of 2022.

Yes, You Can Ask Us That

One of the specific recommendations from the HMICFRS report was to ensure that our people's understanding of the concepts and language around positive action was appropriate and proportionate. Following the appointment of a new EDI Advisor in August 2022, work began to use the knowledge gained from conversations with our people to help shape a new training roadshow, named 'Yes, You Can Ask Us That'.

The face-to-face 'Yes, You Can Ask Us That' roadshow introduced the new EDI plan and narrative, reiterated the Core Code of Ethics and created safe spaces for discussion about complex topics such as positive action, all while breaking down any exclusion barriers which might have prevented people from engaging with EDI previously.

Forty-six sessions have been held since February 2023 during office hours, evenings and weekend in accordance with non-operational and operational shift patterns, and overwhelmingly positive feedback has been received from the 82 respondents who filled out the survey:

- 99% of respondents said they liked the tone/approach of the training
- 96% of respondents rated the training as very good or good overall

Beyond the positive feedback provided, the safe spaces created for challenging conversation in these sessions have allowed themes to emerge and have emphasised the importance of EDI work in other parts of the organisation, allowing a more cohesive approach to workstreams. Examples of this include the ongoing review of promotion processes and the upcoming equality impact assessment review project.

Independent culture review

Nationally, it has been a turbulent time for fire and rescue services in England and Wales. In November 2022, an independent culture review of London Fire Brigade indicated cause for concern within its culture, and other fire and rescue services have since been in the media spotlight following serious allegations having been made.

WFRS was keen to ensure no such problems could lie undetected within Warwickshire and therefore commissioned its own independent culture review in Spring 2023. The review has involved speaking to more than 400 fire service personnel (approximately 84% of the service) since the review, was launched. The service has receive the recommendations from the review which highlight the areas of good practice and strength as well as identifying where improvements could be made.

People delivery strategy

We are more consistently embedding EDI into WFRS' delivery, including reviewing the current approach to promotion and ensuring every part of the recruitment process is independent and assured going forward. The work on this will soon feed into all part of recruitment within WFRS.

Support has also been given to ensure meaningful Equality Impact Assessments have been carried out for all people workstreams, including the new Competency to Manage framework and Talent Management offering.

What next?

The outcome of the independent culture review and the latest HMICFRS inspection results, will inform WFRS 2023/2024 EDI strategy and plan alongside the themes identified within the 'Yes You Can Ask Us That' training.

In the short to medium term, a new internal communications strategy is in the pipeline, with EDI at its heart to ensure maximum inclusivity for all personnel. Equality Impact Assessments are also being reviewed to ensure best practice.

Showing our Pride

Our LGBTQ+ Network has worked to design, promote and distribute Pride lanyards across the organisation. These proved to be incredibly popular, and we ran out within a week so had to order more! People can wear them to show their pride, or to demonstrate individual commitment to creating a safe and welcoming environment for LGBTQ+ staff and service users.

"I had a young person point at my lanyard and said "That's the trans flag...I'm trans." ... It was a very quick, probably unnoticeable interaction to other people, but I hope I made that young person feel comfortable. All just by wearing my lanyard!"

To mark Pride 2022, our graduates, members of the LGBTQ+ Network, and out EDI Team worked together to create a session on how people can support LGBTQ colleagues. The sessions called "Yes, you can ask that!"

allowed people to ask questions they felt too afraid to ask to help break down barriers and encourage conversation. People were given the opportunity to reflect upon what it means to be supportive, explore the challenges, and come up with ways we can all support one another. This is now part of our training offer.

"I have found this so helpful, thank you so much. I have made mistakes in the past and talked about them after and today gives me more confidence to be an ally."

Throughout the year, Warwickshire County Council also worked with Warwickshire Pride to support their youth groups. This allows the charity to work with LGBTQ+ young people to ensure they have the support they need and can feel valued, supported, safe, and welcome in Warwickshire.

In August 2022, Warwickshire Pride held a march through Leamington Spa for the first time. Warwickshire County Council and Warwickshire Fire and Rescue Service were in attendance. Representatives including senior leaders proudly marched through the town, showing our commitment to acceptance and celebration of people no matter their background, and acknowledging that we all have a part to play in challenging discrimination.

Stop press! WFRS were delighted to attend Warwickshire Pride 2023 along with colleagues from WCC, Warwickshire Police and West Midlands Ambulance Service to show their support for the LGBTQIA+ community in the county.

Our Diversity and Inclusion STAR Award winners

Reward and recognition

WARWICKSHIRE STARS STAFF AWARDS

Winners – Sharon Forman and the County Record Office

Often, the only records preserved by museums are from White histories and it is not easy to find Black and Asian voices in the archives. Sharon and the team have been working tirelessly to preserve histories from a range of communities, celebrate their contributions to our county's rich heritage, and ensure our museums and record offices are accessible to everyone in Warwickshire. This included interviews with local people to understand their experiences of life in Warwickshire, as well as those of their families and ancestors. The ongoing project has yielded many discoveries and is showing our county's past to be far more multicultural than previously thought.

Black and Asian Voices in the archives project

Culture, values and behaviour

Archives like Warwickshire County Record Office are places where the records of human history are stored and preserved for generations to come. They hold the sources for our collective memory, and they shape how we understand the society in which we live. These records are freely available to everyone.

However, often the only records we have are created by White people. In this way, Black and Asian voices have been lost or hidden. That is why Warwickshire County Record Office has developed a strategy to address this imbalance. By learning about Black and Asian people in Warwickshire's past, we can recognise and celebrate contributions to our county's rich heritage. We can also use the past to understand where we are today, by exploring the development of culture and attitudes towards race.

This is an ongoing project but has already yielded results such as discovering that Britain's first Black Toastmaster lived in Bidford Upon Avon, and that at Salisbury Hall in 1928, a pioneering female lawyer from India called Cornelia Sorabji gave a public address to the Leamington branch of the Church of England Zenana Missionary Society.

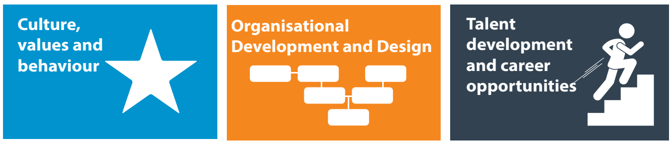
In 1968, representatives of twenty different immigrant organisations from around the country met at 57 Avenue Road to form the Black People's Alliance (BPA). From 1964 to 1994, the building at 3 Church Street was home to the Commonwealth Club. The club was founded by Shree Nath Rohilla, a resident of Leamington who had moved to the town in the mid-1950s from India. The Commonwealth Club was intended to provide

This project serves to reassess Warwickshire's past and shows it to be far more multicultural than previously thought. This way, everyone can feel represented by the histories we tell.

"Our Commonwealth" display in Market Hall Museum sharing Warwickshire residents' experiences. This display tells the story of Horace Boyer who was born in India and came to the UK in 1947, settling in Leamington Spa. The display includes jewellery, amethyst, photos and other family treasures from India.

Reuben Lynch, who is believed to be Britain's first Black Toastmaster, shares his experiences of life in Montserrat with Heritage Culture and Warwickshire.

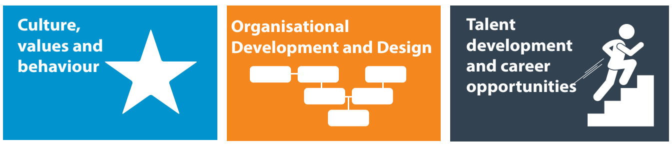
The Children and Families Academy AYSE anti-racism programme



Over 60 newly qualified social workers have engaged in cultural competency training which has been developed for Warwickshire County Council children and families' service, specifically to help social workers engage in a meaningful and holistic manner with all the diverse communities that they work with across the county. The sessions enable the learner to gain a better understanding of the experiences of these communities and how they shape the perception of public sector services, which has an impact on the uptake of statutory services provided.

"The sessions have been very positively received and I have had lots of very positive feedback from this. It certainly opened up discussions and awareness around the topic and the NQSW have implemented their learning into their practice and within their teams."

Menopause peer support group



In July 2022, we began work on how we can support colleagues as they go through the menopause, acknowledging that it can happen at any age for a range of reasons, and that everyone's experience of the menopause will be different.

A menopause peer support group has now been set up which offers a safe space for anyone who is experiencing the menopause. This can include those who are going through it as part of life's journey, or those who are experiencing it due to medical interventions. The group meets monthly, virtually and offers a safe space for staff to share experiences and advice with others who are going through, or have been through, the menopause. There is also a Team's channel to join for ad hoc support.

Going forward, we are developing an organisation-wide approach to supporting those experiencing the menopause to ensure everyone feels supported and valued, and that no one feels they have to sacrifice their career or wellbeing.

"As someone who had the menopause medically induced at 33, I didn't know what to expect. This group has been so welcoming and helpful, from suggesting shampoos to slow hair loss and helpful tips for nutrition, to listening to me rant, and even providing advice on how to get support from my GP. It has made a scary and confusing experience so much less isolating."

EQuIP

The Council commissions the Equality and Inclusion Partnership to deliver independent advice and support services covering each of the protected characteristics as set out in the Equality Act 2010. The service tackles victimisation, discrimination, harassment, and hate crime, referring residents to specialist support organisations where appropriate. The service seeks to improve community cohesion via a range of engagement channels, ensuring different groups sitting under each of the protected characteristics feel their voices are heard and they have influence in local decision-making.

The Safer Warwickshire partnership big board conversation took place this year to raise awareness of the importance of tackling discrimination in all its forms. The event was co-organised by EQuIP, Warwickshire County Council and the Police and Crime Commissioner for Warwickshire, Philip Seccombe.
It was a very positive event with some uplifting keynote speakers and engaging workshops which covered topics such as “Tackling discrimination and achieving positive outcomes”, “Building community cohesion in challenging times”, and “Establishing links between hate and extremism”. The event was well attended and a huge success as it provided lots of opportunities for organisations across the county to network and discuss ways of collaborating on pieces of work and effective ways of information sharing.

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Agenda Item 5

Staff and Pensions Committee

11 September 2023

Pension Fund Regulatory and Policy Update Report

Recommendations

That the Committee:

1. Notes and comments on the updates contained in this Report; and
2. Approves the changes proposed to the Fund's Admission and Termination Policy and Funding Strategy Statement set out at as Appendices 1 and 2 respectively.

1. Executive Summary

1.1 This Report confirms the findings of the annual review of Pension Fund policies. Any significant changes recommended to any policy are confirmed in the body of this report.

1.2 This Report also provides a regulatory update of developments and issues that have arisen in the Local Government Pension Scheme (LGPS) arena in the last quarter.

2. Financial Implications

2.1 There are no financial implications arising directly from this report.

3. Environmental Implications

3.1 There are no environmental implications arising directly from this Report.

4. Supporting Information

Review of Policies and Processes

4.1 Fund Officers have reviewed the Administration Strategy and have concluded that no amendments are required at this time as timescales and contents are still fully compliant with the relevant legislation governing the LGPS. Fund Officers have already made key changes at earlier points in response to areas where further clarification was required for both Fund Officers and key Stakeholders.

4.2 The Admission and Termination Policy has been updated to reflect an amendment relating to how exit credit payments should be assessed for Community Admission Bodies (CABs). Please see Appendix 1.

4.3 The Funding Strategy Statement (appendix J – policy on cessations) has also been updated to reflect the change made to the Admission and Termination Policy with regard to the payment of exit credits to CABS. Please see Appendix 2.

4.4 Fund Officers have deferred the review of the Governance Compliance Policy until after the publication of the Scheme Advisory Board (SAB) Good Governance Review in 2024. However, prior to publication of the SAB Review, officers will review areas of the Fund's Governance structure. This will include the introduction of a Workforce Planning Strategy and the introduction of a Representation Policy (a document explaining how key stakeholders are represented in the decision-making processes of the Fund). Both of these will be covered in a training session provided by Hymans Robertson on the 18 September 2023.

Regulatory Updates since June 2023

<u>Scheme Amendment Announcements</u>

4.5 A consultation on equalising the survivor benefits paid to male spouses or civil partners of female members with the benefits paid to same sex spouses or civil partners is expected. The rules will be backdated to 5 December 2005 to reflect the earliest date that a couple could have entered a same sex civil partnership. The Local Government Association (LGA) has indicated that the numbers involved nationally are likely to be low and therefore unlikely to have a great impact on the Fund.

4.6 There are no immediate plans to remove the upper age limit of 75 for death grants. The SAB Chair has raised concerns about this with the Minister because of the possibility of a legal challenge as changes are scheduled to be made to other public sector pension schemes to remove the upper age limit. The LGA and SAB have indicated that they will continue to pursue this with the Minister.

4.7 Public sector exit payment reform remains a government commitment although there is no indication of when new rules might be consulted on. Any changes will be introduced for each individual scheme, there will not be a public sector-wide approach. Other public service schemes do not provide unreduced benefits to members made redundant at age 55 or older. There is a possibility that this provision will be changed in the LGPS.

McCloud

4.8 The Local Government Association (LGA) has responded to the Department for Levelling Up, Housing and Communities (DLUHC) consultation. The response was generally supportive of the policies that were proposed but made a number of technical comments about whether the draft regulations deliver the policies as intended.

4.9 The LGA also raised concerns about timing and the small amount of time that administering authorities and software suppliers will have to change their processes and calculations before 1 October 2023.

Pension Dashboards

4.10 Following the Department for Work and Pensions (DWP) Written Ministerial Statement in March, a further statement was published in June 2023 giving an update on pensions dashboards. The latest statement confirms the removal of the phased staging deadline from legislation, replacing it with a single connection deadline of 31 October 2026.

4.11 The Pensions Regulator (TPR) has encouraged schemes to continue preparing for dashboards by considering data quality and how to improve it, choosing an Internet Service Provider, etc.

5. Timescales associated with the decision and next steps.

5.1 There are no timescales associated with this Report.

Appendices

Appendix 1 - Revised Admission and Termination Policy
Appendix 2 – Revised Funding Strategy Statement

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The report was circulated to the following members prior to publication:

Local Member(s): Councillors Yousef Dahmash and Bill Gifford

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Warwickshire Pension Fund

Admissions and Termination Policy

WARWICKSHIRE
pension fund

Version: 4
Date Issue: August 2023
Reference: WPF-ATP
Team: Warwickshire Pension Fund
Protective Marking: Public

1 Introduction

1.1 Warwickshire County Council is the administering authority for the Warwickshire LGPS Pension Fund (the "Pension Fund").

1.2 The administering authority is responsible for determining who may be admitted as a 'scheme employer' in the Pension Fund.

1.3 The Pension Fund is governed by legislation, mainly the Local Government Pension Scheme Regulations 2013, as amended from time to time (the "Regulations"). The Regulations set out criteria for admission to the Local Government Pension Scheme, which also afford the Pension Fund some discretion.

1.4 This policy seeks to clarify the basis on which the Pension Fund allows admission and may reject, withdraw, or terminate admission, having regard to the Regulations and the discretion afforded under them.

1.5 This policy seeks to clarify where charges will be applied for work undertaken by the Actuary and or Fund for new admissions and terminations

2 Scheme Employers

2.1 Scheduled Bodies

2.1.1 The Regulations set out certain employers who have an automatic right to participate as 'scheme employers' within the Pension Fund. These bodies will still need to make an application to the administering authority but provided the requirements of the Regulations are met, the body will be admitted, and their employees will have an automatic right to join. The administering authority refers to these as "Scheduled Bodies".

2.1.2 Those bodies are listed in Schedule 2 of the Regulations within Parts 1, 2 and the second column of the table in Part 4, which are reproduced at Annex A of this policy.

2.1.3 Without prejudice to paragraph 2.1.1, the administering authority may ask a Scheduled Body for evidence of their internal authority to join the Pension Fund, for example, any resolution that has been passed in relation to LGPS membership or minutes of a meeting granting approval (if applicable).

2.2 Admission Bodies

2.2.1 In addition to those bodies listed in the Regulations, the administering authority may make an admission agreement with other bodies who meet certain criteria. These criteria are set out in Paragraph 1 of Part 3 of Schedule 2 of the Regulations and are reproduced in Annex B of this policy.

2.2.2 These bodies must make an application for admission to the Pension Fund, which will be determined in accordance with this policy. If the application is accepted, then the body will be admitted to the Pension Fund and must enter into an admission agreement to formalise the terms on which they are entitled to participate within the Pension Fund.

2.2.3 Admission bodies are subject to the requirements of the Regulations and must follow them in order to participate in the Pension Fund.

2.3 Community Bodies

2.3.1 The bodies that meet the criteria as set out in (a), (b), (c) and (e) of Paragraph 1 of Part 3 to Schedule 2 are referred to by the administering authority as "Community Bodies". The administering authority does not have to accept an application from a Community Body, even if they meet the criteria within the Regulations, although it will normally seek to do so provided that such admission does not pose a risk to the Pension Fund.

2.3.2 In addition to the legislative requirements, the following matters will be considered by the Staff and Pension Committee, following advice from the Head of Pensions in relation to whether or not a Community Body will be admitted:

1. How many potential scheme members there will be – the administering authority will normally expect there to be at least 10 potential members
2. Whether the body will receive direct funding from a Scheduled Body and what limitations on that funding there may be
3. Whether there is a Scheduled Body or other appropriate form of guarantor that is sponsoring the prospective Community Body – the administering authority would normally expect a Scheduled Body to sponsor the application and to guarantee in writing the pension liabilities of the prospective Community Body should they be admitted, although the Fund may consider alternative guarantors where it is believed to be appropriate in terms of risk to the Fund and other participating employers.The financial viability of the prospective Community Body – the administering authority may reject an application if it considers that admitting the body may pose financial risk to the Pension Fund

2.4 Transferee Bodies

2.4.1 Those bodies that meet the criteria set out in (d) of Paragraph 1 are referred to by the administering authority as "Transferee Bodies". These are bodies that are providing or will provide a service or assets in connection with the exercise of a function of a Scheduled Body as a result of the transfer of the service or assets by means of a contract or other arrangement.

2.4.2 For the purposes of this paragraph 2.4.2, the administering authority considers that it will normally be the "relevant administering authority" where the Scheduled Body that the Transferee Body is performing the function on behalf of (the "Letting Employer") is located within Warwickshire. Where the administering authority is the relevant administering authority it must accept an application from a Transferee Body where that body has undertaken to comply with the Regulations.

2.4.3 There are specific requirements within the Regulations that apply to Transferee Bodies only, including the following:

1. The Letting Employer must be a party to the admission agreement; and
2. If the Transferee Body is performing more than one contract, then the Transferee Body must enter into an admission agreement for each one.

2.4.4 It is also a requirement of the Regulations that an admission agreement with a Transferee Body includes the following provisions:

1. That only employees that are employed in connection with the service for the Letting Employer are entitled to be members of the Pension Fund
2. The details of the contract with the Letting Employer
3. An agreement that the Letting Employer may set off against any sums due to the Transferee Body, any sums due to the Pension Fund under the Regulations
4. A requirement that the Transferee Body keeps under review, to the satisfaction of the administering authority and the Letting Employer, its assessment of the level of risk
5. A requirement that copies of notifications that are due to be provided to the administering authority are provided to the Letting Employer also
6. That a copy of the admission agreement be available for inspection at the Letting Employer's office

2.4.5 The administering authority expects to be advised of transfers well in advance of the transfer taking place and where possible, be provided with an accurate list of those employees transferring.

2.5 Risk assessment for new admission bodies

2.5.1 An admission body must carry out, to the satisfaction of the administering authority and, in the case of transferee admission bodies, the Letting Employer, an assessment of the level of risk arising on premature termination. In practice, the fund actuary assesses this because the assessment must be carried out to the administering authority's satisfaction.

2.5.2 After considering the assessment, the administering authority may decide the admission body must provide security, such as a guarantee from the letting employer, an indemnity or a bond.

2.5.3 This must cover some or all of the:

1. strain costs of any early retirements, if employees are made redundant when a contract ends prematurely
2. allowance for the risk of assets performing less well than expected
3. allowance for the risk of liabilities being greater than expected
4. allowance for the possible non-payment of employer and member contributions
5. admission body's existing deficit.

2.5.4 Unless there are exceptional circumstances, the administering authority will always expect there to be a bond or guarantee in place.

3 The Application Process

3.1 A body that wishes to be admitted to the Pension Fund must provide all information requested by the administering authority in order for its application to be considered fully.

3.2 Officers on behalf of the administering authority will then prepare a report for consideration by the relevant committee at its next available meeting based on the information provided. It is the responsibility of the applicant body (and/or the Letting Employer in relation to a contract transfer) to ensure that the application is considered prior to the date admission is required and therefore those bodies should liaise with the administering authority in relation to upcoming meeting dates when considering submitting an application.

3.3 The applicant body (and the Letting Employer in the case of a Transferee Body) will be informed of the outcome of the application after the meeting where the decision is made.

3.4 Where the application is successful, the admission body (and/or the Letting Employer in the case of a Transferee Body) shall be responsible for providing the administering authority with a list of those employees that are to be admitted to the Pension Fund. The administering authority will specify the level of information required for administration of the process. This information will need to be provided within sufficient time for the Pension Fund's actuary to calculate the opening position, contribution rate and bond amount prior to admission. The cost of the actuary's report will be charged to the Letting Employer, in the case of a Transferee Body or the admission body/Scheduled Body, as appropriate, in other cases.

3.5 The administering authority will expect the admission body to pay the contribution rate and secure any bond amount as determined by the actuary. In the case of Transferee Bodies, the administering authority may consider risk sharing arrangements between the Transferee Body and the relevant Letting Employer provided that the Pension Fund's interests are protected. The administering authority shall have final determination over the level of bond or guarantee required.

3.6 The administering authority may consider proposals to pool employers for actuarial purposes. If an applicant body or existing admission body wishes to join an existing pool or create a new pool with similar employers, then it should notify the administering authority. Prior to agreeing to any proposals, the administering authority will seek actuarial advice. In the event that such proposals are agreed, the contribution rates for those employers will be set at the same level (if expressed as a percentage of pay) based on their aggregated notional fund assets and liabilities. For information on the fund's pooling arrangements please see section 2.5 of the Funding Strategy Statement.

4 The Admission Agreement

4.1 The administering authority has a standard form of admission agreement that it will expect admission bodies to enter into prior to being admitted to the Pension Fund (the current draft agreements are available on the pension fund's website as appropriate). This standard form incorporates the requirements within the Regulations in relation to matters that should be included in admission agreements (including those that specifically relate to Transferee Bodies as referred to at 2.4.4 above where applicable).

4.2 Any bond agreement should normally be entered into at the same time as the admission agreement; however, there may be exceptional circumstances whereby the administering authority will permit the bond agreement to be entered into after the transfer date provided that the admission agreement is clear that a bond must be entered into.

4.3 In the event that the actuary has been unable to calculate the contribution rate (e.g. as a result of information not being provided in time), the admission agreement will not normally be entered into until the rate has been calculated.

4.4 While the Regulations enable an admission agreement to take effect on a date prior to the date it was actually executed, in circumstances where the employer contribution rate has not been confirmed by the actuary or where the admission agreement has not been entered into for any other reason, the admission body will not be entitled to participate in the Pension Fund until everything that is required to enable the admission agreement to be signed is in place. Once the admission agreement is in place then a retrospective effective date can be applied, and the admission body required to remit to the fund the necessary arears of employee and employer pension contributions and provide the necessary membership data required by the administering authority.

4.4 *Please note, the Admission Agreement templates are available on the pension funds website

5 Participation in the Pension Fund

5.1 It is a condition of admission to the Pension Fund that scheme employers operate in a manner that respects their obligations in relation to pension liabilities, including but not limited to, paying contributions in accordance with the Pension Fund's actuary's assessment.

5.2 In accordance with the Regulations, the actuary on behalf of the Pension Fund will carry out an assessment every 3 years and will set the level of contributions required by each scheme employer. Those contributions may be set as a percentage of pay or combination of a percentage of pay and a cash sum. Whilst the administering authority may consider representations made by any scheme employer in relation to the amount of their contributions, the administering authority's decision as to the amount (based on actuarial advice) is final.

5.3 In the event that a scheme employer disputes the level of contributions required, the administering authority will endeavour to resolve the dispute informally, however, where such resolution is not possible, the administering authority will refer such matters to the relevant regulator (as appropriate), in order to protect the interests of members and other scheme employers within the Pension Fund.

5.4 The principles, approach and methodology for setting employer contribution rates is detailed in the Fund's Funding Strategy Statement (FSS). Section 2 of the FSS provides information on the funding strategy adopted for each employer group in the fund and how rates are determined, whilst Section 5 specifically considers how contribution rates are derived for new employers admitted to the Fund. It is important any new employers and Letting Employers read these sections carefully.

5.5 Actuarial Fees

The assessment of a contribution rate, bond (where applicable) and opening position for a new scheme employer all incur actuarial fees. The Fund is not liable for these fees and will invoice the employer letting the contract for any fees incurred. If the employer has an agreement with the contractor to pay fees this is between the employer and the contractor.

For new academies, parish and town councils and community admission bodies actuarial fees will be invoiced direct to the new scheme employer.

A schedule of fees is available from the administering authority.

6 Termination

6.1 The admission agreement will normally specify the circumstances by which an admission body may exit (or be required to exit) the Pension Fund and become an “exiting employer”. Without prejudice to such terms, an administering authority may determine that an admission body has ceased to be a scheme employer within the Pension Fund where it no longer meets the criteria on which it was originally admitted.

6.2 It is advantageous to both the Pension Fund and the exiting employer to be able to plan for any proposed exit in order to prevent a large exit payment or exit credit (or ideally any exit payment or exit credit). If the exiting employer gives advanced notice of its participation in the Pension Fund ceasing, the administering authority will consider (in conjunction with the relevant Letting Employer if it is a Transferee Body or any Scheduled Body or alternative guarantor if it is a Community Body) whether it is appropriate to obtain a revised assessment from its actuary to adjust the exiting employer’s contributions with the aim of there being no surplus or deficit by the point at which the exiting employer exits, where pass through has not been adopted in the case of a Transferee Body.

6.3 Without prejudice to paragraph 6.2, upon exiting the Pension Fund, in accordance with regulation 64 of the Regulations, the scheme employer may be liable to pay an exit payment to the Pension Fund or may be entitled to receive an exit credit. In determining the level of any funding shortfall or surplus, and therefore the amount of any exit payment or exit credit due, the administering authority will request an actuarial assessment.

6.3.1 The fund will recharge costs of administering cessations including actuary and other cessation expenses as appropriate. Fees and expenses are at the employer’s expense and are deducted from the cessation surplus or added to the cessation deficit. This improves efficiency by reducing transactions between employer and fund. Costs will be charged even if the cessation does not go ahead.

6.4 The principles, approach and methodology for the actuarial assessment is detailed in the Fund’s Funding Strategy Statement (FSS). Section 7 and Appendix J specifically consider how terminations are assessed and managed by the Fund. It is important any new employers and Letting Employers read these sections carefully.

6.5 If the actuarial assessment identifies a funding shortfall, the administering authority has discretion over the payment of an exit credit. In applying this discretion, the administering authority will consider a number of factors including:

1. the extent of any surplus,
2. the proportion of surplus arising as a result of the Admission Body’s employer

contributions,

3. any representations (such as risk sharing agreements or guarantees) made by the Admission Body and any employer providing a guarantee or some other form of employer assistance/support and
4. any other factors the Administering Authority deems relevant.

6.6 There are some circumstances, however, in which it may not be appropriate to pay an exit credit, although each case will be considered on its own merits. Circumstances where payment may not be appropriate are as follows:

6.6.1 Where the body was admitted prior to 14 May 2018 via a contract or other commercial arrangement with the letting authority/awarding authority/cediing employer:

6.6.2 Where the admission body has entered into risk sharing arrangements (see paragraph 3.5 above), including pass-through arrangements, and the terms of those arrangements do not reflect an exit credit being payable to the admission body; and

6.6.3 Where the administering authority has been asked by the Letting Employer to withhold payment of the exit credit under the terms of its contract with the admission body, for the purposes of setting off any amounts due to the Letting Employer.

6.7 In the event that an employer owes any outstanding monies to the Pension Fund upon exit, the administering authority reserves the right to deduct such sums owed from any exit credit due.

6.8 If the actuarial assessment identifies a funding shortfall, payment of this amount in full would normally be sought from the Admission Body. The Fund's normal policy is that this cessation debt is paid in full in a single lump sum within 28 days of the employer being notified. The Administering Authority may agree for this payment to be spread over an agreed period via a Deferred Spreading Arrangement. However, such agreement would only be permitted at the Administering Authority's discretion, where payment of the debt in a single immediate lump sum could be shown to be materially detrimental to the employer's financial situation. Such discretion would be exercised by the Pension Committee, following advice from the Head of Pensions. In cases where payment is spread, the Fund reserves the right to require that:

1. the ceasing employer provides some form of security (such as a charge over assets, bond indemnity or guarantee) relating to the unpaid amount of debt at any given time.
2. the arrangement is covered by a legally-binding agreement.
3. any breach of the arrangement would require any outstanding exit payment to be paid immediately in full.

Further detail is set out in Appendix J5.2 of the Funding Strategy Statement.

6.9 As an alternative, where the ceasing Admission Body is continuing in business, the Administering Authority may enter into a written agreement with the Admission Body to defer their obligations to make an exit payment and continue to make Secondary contributions (a 'Deferred Debt Agreement' as described in Regulation 64 (7A)). The Admission Body must meet all requirements on Scheme employers and pay the Secondary rate of contributions as determined by the Fund Actuary until the termination of the Deferred Debt Agreement.

The Administering Authority will consider Deferred Debt Agreements in the following circumstances:

- The Admission Body requests the Fund consider a Deferred Debt Agreement;

- The Admission Body is expected to have a deficit when the cessation valuation is carried out;
- The Admission Body is expected to be a going concern; and
- The covenant of the Admission Body is considered sufficient by the Administering Authority.

The Administering Authority will normally require:
- Relevant financial information for the Admission Body to assist in the covenant assessment;
- Security be put in place covering the Admission Body's deficit on their cessation basis;
- Regular monitoring of the contribution requirements and security requirements;
- The agreement to be formalised in a legally-binding written document;
- All costs of the arrangement to be met by the Admission Body, such as the cost of advice to the Fund, ongoing monitoring or the arrangement and correspondence on any ongoing contribution and security requirements.

A Deferred Debt Agreement will normally terminate on the first date on which one of the following events occurs:
- the Admission Body enrols new active Fund members;
- the period specified, or as varied, under the Deferred Debt Agreement elapses;
- the take-over, amalgamation, insolvency, winding up or liquidation of the Admission Body;
- the Administering Authority serves a notice on the Admission Body that the Administering Authority is reasonably satisfied that the Admission Body's ability to meet the contributions payable under the Deferred Debt Arrangement has weakened materially or is likely to weaken materially in the next 12 months;
- the Admission Body defaults on any payment due under the agreement;
- the Fund actuary assesses that the Admission Body has paid sufficient secondary contributions to cover all (or almost all) of the exit payment due if the employer becomes an exiting employer on the calculation date (i.e. the Admission Body is now largely fully funded on their cessation basis);
- the Fund actuary assesses that the Admission Body's value of liabilities has fallen below an agreed de minimis level and the employer becomes an exiting employer on the calculation date; or
- The Admission Body requests early termination of the agreement and settles the exit payment in full as calculated by the Fund actuary on the calculation date (i.e. the Admission Body pays their outstanding cessation debt on their cessation basis).

On the termination of a Deferred Debt Agreement, the Admission Body will become an exiting employer and a cessation valuation will be completed in line with the FSS.

Further detail is set out in Appendix J5.2 of the Funding Strategy Statement.

6.10 Scheduled Bodies may exit the Pension Fund in accordance with the circumstances set out in the regulations.

Annex A – Scheduled Bodies *(List current as at the date of this policy – check the legislation for updates)*

Schedule 2 – Part 1

1. In England, a county council, a district council, a London borough council, the Greater London Authority, the Common Council of the City of London and the Council of the Isles of Scilly.

2. In Wales, a county council, or a county borough council.

3. A joint board, body or committee appointed under any Act or statutory order or statutory scheme, of which all the constituent authorities are councils of a description in paragraph 1 or 2 or a combination of such councils.

4. A Mayoral development corporation within the meaning of section 198 of the Localism Act 2011.

5. A fire and rescue authority within the meaning of the Fire and Rescue Services Act 2004.

6. A police and crime commissioner.

7. A chief constable within the meaning of section 2 of the Police Reform and Social Responsibility Act 2011.

8. The Commission for Local Administration in England.

9. A probation trust established under section 5 of the Offender Management Act 2007 or a National Probation Service local board.

10. The Chichester Harbour Conservancy.

11. The Lee Valley Regional Park Authority.

12. An integrated transport authority within the meaning of Part 5 of the Local Transport Act 2008.

13. The Broads Authority.

14. A further education corporation, a sixth form college corporation or a higher education corporation within the meaning of section 90 of the Further and Higher Education Act 1992.

15. The London Pensions Fund Authority.

16. The South Yorkshire Pensions Authority.

17. The Environment Agency.

18. A National Park Authority established under Part 3 of the Environment Act 1995.

19. An Education Action Forum within the meaning of section 11 of the School Standards and Framework Act 1998.

20. A proprietor of an Academy within the meaning of section 579 (general interpretation) of the Education Act 1996 who has entered into Academy arrangements within the meaning of section 1 (academy arrangements) of the Academies Act 2010.

21. A body set up by a local housing authority as a housing management company to exercise management functions of the authority under an agreement approved by the appropriate minister under section 27 of the Housing Act 1985.

22. The Valuation Tribunal Service established under section 105 of the Local Government Act 2003 and the Valuation Tribunal for Wales established under regulation 4 of the Valuation Tribunal for Wales Regulations 2010.

23. A conservation board established under section 86 of the Countryside and Rights of Way Act 2000.

24. A combined authority established by an order under section 103(1) of the Local Democracy, Economic Development and Construction Act 2009.

25. The Barnsley, Doncaster, Rotherham and Sheffield Combined Authority established by the Barnsley, Doncaster, Rotherham and Sheffield Combined Authority Order 2014.

<u>Schedule 2 – Part 2</u>

1. The Board of Governors of the Museum of London.

2. A body (other than a body listed in Part 1 of this Schedule) which is—

    a. a precepting authority within the meaning of section 69 of the Local Government Finance Act 1992 (interpretation),

    b. a levying body within the meaning of section 74 of the Local Government Finance Act 1988 (levies), or

    c. a body to which section 75 of that Act (special levies) applies.

3. A passenger transport executive.

4. An institution designated by an order under section 129 of the Education Reform Act 1988.

5. An entity connected with a local authority listed in paragraphs 1 to 5 of Part 1 of this Schedule where “connected with” has the same meaning as in section 212(6) of the Local Government and Public Involvement in Health Act 2007.

6. A company under the control of a body listed in paragraphs 6 to 24 of Part 1 of this Schedule

    where “under the control” has the same meaning as in section 68 or, as the case may be, 73 of the Local Government and Housing Act 1989 (except that any direction given by the Secretary of State must be disregarded, and any references to a local authority treated as references to such a body).

7. The Public Services Ombudsman for Wales.

8. The Serious Organised Crime Agency.

9. Transport for London.

10. The London Transport Users' Committee.

11. The Cultural Strategy Group for London.

12. The Children and Family Court Advisory and Support Service.

13. An urban development corporation.

14. The Secretary of State, in respect of persons specified in regulation 3A (1) (civil servants engaged in probation provision).

<u>Schedule 2 – Part 4</u>

15. A local authority that has, with the consent of the governing body, designated an employee or a class of employees of a governing body of a voluntary school as being eligible for membership

16. A local authority that has, with the consent of the governing body, designated an employee or a class of employees of a governing body of a foundation school or foundation special school as being eligible for membership

17. A local authority that has, with the consent of the governing body, designated an employee or a class of employees of a governing body of a technical institute or other similar institution which is for the time being assisted by the local authority under the Education Act 1996 as being eligible for membership

18. A local authority that has, with the consent of the governing body, designated an employee or a class of employees of a federated school as being eligible for membership

19. The London Pension Authority

20. An authority appointing a coroner

21. A police and crime commissioner

22. The Commission for Local Administration in England

23. The passenger transport executive

24. The Housing Ombudsman

Annex B – Admission Bodies *(List current as at the date of this policy – check the legislation for updates)*

1. Schedule 2 – Part 3, Paragraph 1The following bodies are admission bodies with whom an administering authority may make an admission agreement—

   (a) a body which provides a public service in the United Kingdom which operates otherwise than for the purposes of gain and has sufficient links with a Scheme employer for the body and the Scheme employer to be regarded as having a community of interest (whether because the operations of the body are dependent on the operations of the Scheme employer or otherwise);

   (b) a body, to the funds of which a Scheme employer contributes;

   (c) a body representative of—

   (i) any Scheme employers, or

   (ii) local authorities or officers of local authorities;

   (d) a body that is providing or will provide a service or assets in connection with the exercise of a function of a Scheme employer as a result of—

   (i) the transfer of the service or assets by means of a contract or other arrangement,

   (ii) a direction made under section 15 of the Local Government Act 1999 1 (Secretary of State's powers),

   (iii) directions made under section 497A of the Education Act 1996 2;

   (e) a body which provides a public service in the United Kingdom and is approved in writing by the Secretary of State for the purpose of admission to the Scheme.

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HYMANS ROBERTSON

Warwickshire Pension Fund
Funding Strategy Statement
August 2023

WARWICKSHIRE
pension fund

Contents

1 Welcome to Warwickshire Pension Fund's funding strategy statement

This document sets out the funding strategy statement (FSS) for Warwickshire Pension Fund.

The Warwickshire Pension Fund is administered by Warwickshire County Council, known as the administering authority. Warwickshire County Council worked with the fund's actuary, Hymans Robertson, to prepare this FSS which is effective from 1st February 2023.

There's a regulatory requirement for Warwickshire County Council to prepare an FSS. You can find out more about the regulatory framework in Appendix A.Appendix A. If you have any queries about the FSS, please contact: wpfinvestments@warwickshire.gov.uk

1.1 What is the Warwickshire Pension Fund?

The Warwickshire Pension Fund is part of the Local Government Pension Scheme (LGPS). You can find more information about the LGPS at www.lgpsmember.org.www.lgpsmember.org. The administering authority runs the fund on behalf of participating employers, their employees and current and future pensioners. You can find out more about roles and responsibilities in Appendix B.Appendix B.

1.2 What are the funding strategy objectives?

The funding strategy objectives are to:

- take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependants
- use a balanced investment strategy to minimise long-term cash contributions from employers and meet the regulatory requirement for long-term cost efficiency
- where appropriate, ensure stable employer contribution rates
- reflect different employers' characteristics to set their contribution rates, using a transparent funding strategy
- use reasonable measures to reduce the risk of an employer defaulting on its pension obligations.

1.3 Who is the FSS for?

The FSS is mainly for employers participating in the fund, because it sets out how money will be collected from them to meet the fund's obligations to pay members' benefits.

Different types of employers participate in the fund:

Scheduled bodies

Employers who are specified in a schedule to the LGPS regulations, including councils and employers like academies and further education establishments. Scheduled bodies must give employees access to the LGPS if they can't accrue benefits in another pension scheme, such as another public service pension scheme.

Designating employers

Employers like town and parish councils can join the LGPS through a resolution. If a resolution is passed, the fund can't refuse entry. The employer then decides which employees can join the scheme.

Admission bodies

Other employers can join through an admission agreement. The fund can set participation criteria for them and can refuse entry if the requirements aren't met. This type of employer includes contractors providing outsourced services like cleaning or catering to a scheduled body.

Some existing employers may be referred to as **community admission bodies** (CABs). CABs are employers with a community of interest with another scheme employer. Others may be called **transferee admission bodies** (TABs), that provide services for scheme employers. These terms aren't defined under current regulations but remain in common use from previous regulations.

1.4 How does the funding strategy link to the investment strategy?

The funding strategy sets out how money will be collected from employers to meet the fund's obligations. Contributions, assets and other income are then invested according to an investment strategy set by the administering authority. You can find the investment strategy statement at https://warwickshirepensionfund.org.uk/investments

The funding and investment strategies are closely linked. The fund must be able to pay benefits when they are due – those payments are met from a combination of contributions (through the funding strategy) and asset returns and income (through the investment strategy). If investment returns or income fall short the fund won't be able to pay benefits, so higher contributions would be required from employers.

1.5 Does the funding strategy reflect the investment strategy?

The funding policy is consistent with the investment strategy. Future investment return expectations are set with reference to the investment strategy, including a margin for prudence which is consistent with the regulatory requirement that funds take a 'prudent longer-term view' of funding liabilities (see Appendix A)

1.6 How is the funding strategy specific to the Warwickshire pension fund?

The funding strategy reflects the specific characteristics of the fund employers and its own investment strategy.

2 How does the fund calculate employer contributions?

2.1 Calculating contribution rates

Employee contribution rates are set by the LGPS regulations.

Employer contributions are made up of two elements:

- **the primary contribution rate** – contributions payable towards future benefits
- **the secondary contribution rate** – the difference between the primary rate and the total employer contribution

The primary rate also includes an allowance for the fund's expenses.

The fund actuary uses a model to project each employer's asset share over a range of future economic scenarios. The contribution rate takes each employer's assets into account as well as the projected benefits due to their members. The value of the projected benefits is worked out using employer membership data and the assumptions in Appendix D.

The total contribution rate for each employer is then based on:

- **the funding target** – how much money the fund aims to hold for each employer
- **the time horizon** – the time over which the employer aims to achieve the funding target
- **the likelihood of success** – the proportion of modelled scenarios where the funding target is met.

This approach takes into account the maturing profile of the membership when setting employer contribution rates.

2.2 The contribution rate calculation

Table 1: contribution rate calculation for individual or pooled employers

Type of employer	Scheduled bodies			Designating employers	CABs		TABs*
Sub-type	**Local authorities, police**	**Academies**	**Colleges**	**Parish & town councils**	**Open to new entrants**	**Closed to new entrants**	**(all)**
Funding target**	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing, but may move to low-risk exit basis		Contractor exit basis, assuming fixed-term contract in the fund
Minimum likelihood of success	70%	67.5%	80%	70%	80%	80%	70%
Maximum time horizon	19 years	19 years	19 years	19 years	19 years	19 years or average future working	Outstanding contract term

Type of employer	Scheduled bodies			Designating employers	CABs		TABs*
Sub-type	Local authorities, police	Academies	Colleges	Parish & town councils	Open to new entrants	Closed to new entrants	(all)
						lifetime, if less	
Primary rate approach	The contributions must be sufficient to meet the cost of benefits earned in the future with the required likelihood of success at the end of the time horizon						
Secondary rate	Monetary amount	% of payroll	Monetary amount	% of payroll	Monetary amount	Monetary amount	% of payroll or monetary amount
Stabilised contribution rate?	Yes	Yes	No	No	No	No	No
Treatment of surplus	Covered by stabilisation arrangement		Contributions kept at primary rate	Contributions kept at primary rate	Preferred approach: contributions kept at primary rate. Reductions may be permitted by the administering authority		Reduce contributions by spreading the surplus over the remaining contract term
Phasing of contribution changes	Covered by stabilisation arrangement		None	None	None	None	None

** Employers participating in the fund under a pass-through agreement will pay a contribution rate as agreed between the contractor and letting authority*

*** See Appendix D for further information on funding targets.*

2.3 Making contribution rates stable

Making employer contribution rates reasonably stable is an important funding objective. Where appropriate, contributions are set with this objective in mind. The fund may adopt a stabilised approach to setting contributions for individual employers, which either

- keeps contribution variations within a pre-determined range from year-to-year, or
- dampens contribution rate volatility over time by operating a corridor approach for the likelihood of success

After taking advice from the fund actuary, the administering authority believes a stabilised approach is a prudent longer-term strategy for the fund's local authorities and police body and academy schools. For authorities and police, the fund sets pre-determined ranges for contribution variations.

Table 2: contribution variations for authorities and police

Type of employer	"Standard" authority & police	"Mature" authority
Maximum contribution increase per year	+0.75% of pay	+2.0% of pay
Maximum contribution decrease per year	-0.75% of pay	-1.0% of pay

Currently, mature authorities are Nuneaton & Bedworth Borough Council and Stratford-upon-Avon District Council.

For academy schools, the fund operates a corridor approach for the likelihood of success. When setting contributions, if the likelihood of success for an academy school's current contribution rate is within +/-2.5% of 70% (ie between 67.5% and 72.5%) then the contribution rate will remain unchanged. If the likelihood of success is outside the corridor then the rate will be adjusted.

Table 3: corridor approach for academy schools

Likelihood of success of current rate	Impact on contribution rate
Between 67.5% and 72.5%	No change
Below 67.5%	Increased to rate with a 67.5% likelihood of success
Above 72.5%	Decreased to rate with a 72.5% likelihood of success

Stabilisation criteria, authority classification and limits are reviewed during the valuation process. The administering authority may review them between valuations to respond to membership or employer changes.

2.4 Reviewing contributions between valuations

The fund may amend contribution rates between formal valuations, in line with its policy on contribution reviews. The fund's policy is available in Appendix E. The purpose of any review is to establish the most appropriate contributions. A review may lead to an increase or decrease in contributions.

2.5 What is pooling?

The administering authority operates contribution rate pools for similar types of employers. Contribution rates can be volatile for smaller employers that are more sensitive to individual membership changes – pooling across a group of employers minimises this. In a contribution rate pool, contributions are set to target full funding for the pool as a whole, rather than for individual employers.

Employers in a pool maintain their individual funding positions, tracked by the fund actuary. That means some employers may be better funded or more poorly funded than the pool average. If pooled employers used stand-alone funding rather than pooling, their contribution rates could be higher or lower than the pool rate. Setting contributions in this way means that while the fund receives the contributions required, the risk that employers develop a surplus or deficit increases.

Pooled employers are identified in the rates and adjustments certificate and only have their pooled contributions certified. Individual contribution rates aren't disclosed to pooled employers, unless agreed by the administering authority.

CABs that are closed to new entrants aren't usually allowed to enter a pool.

If an employer leaves the fund, the required contributions are usually based on their own funding position rather than the pool average. Cessation terms also usually apply, which means higher contributions may be required at that point.

2.6 What are the current contribution pools?

- **Schools** – generally pooled with Warwickshire County Council, although there may be exceptions for specialist or independent schools.

- **Small WCC-related contractors** – where deemed appropriate, generally pooled with Warwickshire County Council.
- **Parish and town councils** – all parish and town councils
- **Multi-academy trusts** – all individual academies within the same multi-academy trust are pooled for contribution rate setting purposes.
- **Smaller TABs** – may be pooled with the letting employer.

2.7 Administering authority discretion

Individual employers may be affected by circumstances not easily managed within the FSS rules and policies. If this happens, the administering authority may adopt alternative funding approaches on a case-by-case basis.

Additionally, the administering authority may allow greater flexibility to the employer's contributions if added security is provided. Flexibility could include things like a reduced contribution rate, extended time horizon, or permission to join a pool. Added security may include a suitable bond, a legally binding guarantee from an appropriate third party, or security over an asset.

The fund permits the prepayment of employer contributions in specific circumstances. Further details are set out in the fund's prepayment policy detailed in Appendix F.

3 What additional contributions may be payable?

3.1 Pension costs – awarding additional pension and early retirement on non ill-health grounds

If an employer awards additional pension as an annual benefit amount, they pay an additional contribution to the fund as a single lump sum. The amount is set by guidance issued by the Government Actuary's Department and updated from time to time.

If an employee retires before their normal retirement age on unreduced benefits, employers may be asked to pay additional contributions called strain payments.

Employers typically make strain payments as a single lump sum, though strain payments may be spread if the administering authority agrees:

Precepting employers	- up to 5 years
All other employers	- payable immediately

3.2 Pension costs – early retirement on ill-health grounds

If a member retires early because of ill-health, this may result in a funding strain, which could be a large sum. Employer contribution rates include an allowance for potential ill health funding strain but this may be insufficient to cover the actual strain cost. This is more likely to be the case for smaller employers in the fund (eg academies and admission bodies) due to the size of their payroll compared to the magnitude of strain costs.

The administering authority does not offer any arrangement to mitigate this. Individual employers should make their own arrangements if they are concerned about the risk of unmanageable ill-health strain costs.

4 How does the fund calculate assets and liabilities?

4.1 How are employer asset shares calculated?

The fund adopts a cashflow approach to track individual employer assets.

Each fund employer has a notional share of the fund's assets, which is assessed annually by the actuary. The actuary starts with assets from the previous year-end, adding cashflows paid in/out and investment returns to give a new year-end asset value. The fund actuary makes a simplifying assumption, that all cashflow and investment returns have been paid uniformly over the year. This assumption means that the sum of all employers' asset values is slightly different from the whole fund asset total over time. This minimal difference is split between employers in proportion to their asset shares at each valuation.

If an employee moves one from one employer to another within the fund, assets equal to the cash equivalent transfer value (CETV) will move from the original employer to the receiving employer's asset share.

Alternatively, if employees move when a new academy is formed or an outsourced contract begins, the fund actuary will calculate assets linked to the value of the liabilities transferring (see Section 5).

4.2 How are employer liabilities calculated?

The fund holds membership data for all active, deferred and pensioner members. Based on this data and the assumptions in Appendix D, the fund actuary projects the expected benefits for all members into the future. This is expressed as a single value – the liabilities – by allowing for expected future investment returns.

Each employer's liabilities reflect the experience of their own employees and ex-employees.

4.3 What is a funding level?

An employer's funding level is the ratio of the market value of asset share against liabilities. If this is less than 100%, the employer has a shortfall: the employer's deficit. If it is more than 100%, the employer is in surplus. The amount of deficit or surplus is the difference between the asset value and the liabilities value.

Funding levels and deficit/surplus values measure a particular point in time, based on a particular set of future assumptions. While this measure is of interest, for most employers the main issue is the level of contributions payable. The funding level does not directly drive contribution rates. See Section 2 for further information on rates.

5 What happens when an employer joins the fund?

5.1 When can an employer join the fund

Employers can join the fund if they are a new scheduled body or a new admission body. New designated employers may also join the fund if they pass a designation to do so.

On joining, the fund will determine the assets and liabilities for that employer within the fund. The calculation will depend on the type of employer and the circumstances of joining.

A contribution rate will also be set. This will be set in accordance with the calculation set out in Section 2, unless alternative arrangements apply (for example, the employer has agreed a pass-through arrangement). More details on this are in Section 5.4 below.

5.2 New academies

New academies (including free schools) join the fund as separate scheduled employers. Only active members of former council schools transfer to new academies. Free schools do not transfer active members from a converting school but must allow new active members to transfer in any eligible service.

Liabilities for transferring active members will be calculated (on the ongoing basis) by the fund actuary on the day before conversion to an academy. Liabilities relating to the converting school's former employees (ie members with deferred or pensioner status) remain with the ceding council.

New academies will be allocated an asset share based on the estimated funding level of the ceding council's active members, having first allocated the council's assets to fully fund their deferred and pensioner members. This funding level will then be applied to the transferring liabilities to calculate the academy's initial asset share, capped at a maximum of 100%.

The council's estimated funding level will be based on market conditions on the day before conversion. The fund treats new academies as separate employers in their own right, who are responsible for their allocated assets and liabilities. The contribution rate payable by the new academy will depend on whether the academy is part of a multi-academy trust (MAT) that already participates in the fund.

If an academy leaves one MAT and joins another, all active, deferred and pensioner members transfer to the new MAT.

The fund's policies on academies may change based on updates to guidance from the Department for Levelling Up, Housing and Communities or the Department for Education. Any changes will be communicated and reflected in future funding strategy statements.

The Fund's full policy on academy participation is detailed in Appendix G.

5.3 New admission bodies as a results of outsourcing services

New admission bodies usually join the fund because an existing employer (usually a scheduled body like a council or academy) outsources a service to another organisation (a contractor). This involves TUPE transfers of staff from the letting employer to the contractor. The contractor becomes a new participating fund employer for the duration of the contract and transferring employees remain eligible for LGPS membership. At the end of the contract, employees typically revert to the letting employer or a replacement contractor.

Liabilities for transferring active members will be calculated by the fund actuary on the day before the outsourcing occurs.

New contractors will be allocated an asset share equal to the value of the transferring liabilities. The admission agreement may set a different initial asset allocation, depending on contract-specific circumstances.

There is flexibility for outsourcing employers when it comes to pension risk potentially taken on by the contractor. However, the Fund's policy is to require all new admission bodies to be set up with a pass-through arrangement. The Fund's policy on pass-through is detailed in Appendix H.

5.4 Other new employers

There may be other circumstances that lead to a new admission body entering the fund, eg set up of a wholly owned subsidiary company by a Local Authority. Calculation of assets and liabilities on joining and a contribution rate will be carried out allowing for the circumstances of the new employer.

New designated employers may also join the fund. These are usually parish and town councils. Contribution rates will be set using the same approach as other designated employers in the fund. For parish and town councils the contribution rate will be set in line with the Parish and Town Council pool rate.

5.5 Risk assessment for new admission bodies

Under the LGPS regulations, a new admission body must assess the risks it poses to the fund if the admission agreement ends early, for example if the admission body becomes insolvent or goes out of business. In practice, the fund actuary assesses this because the assessment must be carried out to the administering authority's satisfaction.

After considering the assessment, the administering authority may decide the admission body must provide security, such as a guarantee from the letting employer, an indemnity or a bond.

This must cover some or all of the:

- strain costs of any early retirements, if employees are made redundant when a contract ends prematurely
- allowance for the risk of assets performing less well than expected
- allowance for the risk of liabilities being greater than expected
- allowance for the possible non-payment of employer and member contributions
- admission body's existing deficit.

For further information on new admissions, please refer to the fund's admissions and terminations policy at https://warwickshirepensionfund.org.uk/employers

6 What happens if an employer has a bulk transfer of staff?

Bulk transfer cases will be looked at individually, but generally:

- the fund won't pay bulk transfers greater in value than either the asset share of the transferring employer in the fund, or the value of the liabilities of the transferring members, whichever is lower
- the fund won't grant added benefits to members bringing in entitlements from another fund, unless the asset transfer is enough to meet the added liabilities
- the fund may permit shortfalls on bulk transfers if the employer has a suitable covenant and commits to meeting the shortfall in an appropriate period, which may require increased contributions between valuations.

The bulk transfer policy is in Appendix I.

7 What happens when an employer leaves the fund?

7.1 What is a cessation event?

Triggers for considering cessation from the fund are:

- the last active member stops participation in the fund. The administering authority, at their discretion, can defer acting for up to three years by issuing a suspension notice. That means cessation won't be triggered if the employer takes on one or more active members during the agreed time
- insolvency, winding up or liquidation of the admission body
- a breach of the admission agreement that isn't remedied to the fund's satisfaction
- failure to pay any sums due within the period required
- failure to renew or adjust the level of a bond or indemnity, or to confirm an appropriate alternative guarantor
- termination of a deferred debt arrangement (DDA).

If no DDA exists, the administering authority will instruct the fund actuary to carry out a cessation valuation to calculate if there is a surplus or a deficit when the employer leaves the scheme.

7.2 What happens on cessation?

The administering authority must protect the interests of the remaining fund employers when an employer leaves the scheme. The actuary aims to protect remaining employers from the risk of future loss. The funding target adopted for the cessation calculation is below. These are defined in Appendix D.

(a) Where there is no guarantor, cessation liabilities and a final surplus/deficit will usually be calculated using a low-risk basis, which is more prudent than the ongoing participation basis. The low-risk exit basis is defined in Appendix D.

(b) Where there is a guarantor, the guarantee will be considered before the cessation valuation. Where the guarantor is a guarantor of last resort, this will have no effect on the cessation valuation. If this isn't the case, cessation may be calculated using the same basis that was used to calculate liabilities (and the corresponding asset share) on joining the fund.

(c) Depending on the guarantee, it may be possible to transfer the employer's liabilities and assets to the guarantor without crystallising deficits or surplus. This may happen if an employer can't pay the contributions due and the approach is within guarantee terms or the employer is participating under a pass-through agreement.

If the fund can't recover the required payment in full, unpaid amounts will be paid by the related letting authority (in the case of a ceased admission body) or shared between the other fund employers. This may require an immediate revision to the rates and adjustments certificate or be reflected in the contribution rates set at the next formal valuation.

The fund will recharge costs of administering cessations including actuary and other cessation expenses as appropriate. Fees and expenses are at the employer's expense and are deducted from the cessation surplus or added to the cessation deficit. This improves efficiency by reducing transactions between employer and fund. Costs will be charged even if the cessation does not go ahead.

The cessation policy is in Appendix J.

7.3 What happens if there is a surplus?

If the cessation valuation shows the exiting employer has more assets than liabilities – an exit credit – the administering authority can decide how much will be paid back to the employer based on:

- the surplus amount
- the proportion of the surplus due to the employer's contributions
- any representations (like risk sharing agreements or guarantees) made by the exiting employer and any employer providing a guarantee or some other form of employer assistance/support
- any other relevant factors.

The fund's approach to exit credits is detailed in the cessation policy in Appendix J.

7.4 How do employers repay cessation debts?

If there is a deficit, full payment will usually be expected in a single lump sum or:

- spread over an agreed period, if the employer enters into a deferred spreading arrangement (DSA)
- if an exiting employer enters into a deferred debt agreement, it stays in the fund and pays contributions until the cessation debt is repaid. Payments are reassessed at each formal valuation.

The fund's approach to employer flexibility on exit is detailed in the cessation policy in Appendix J.

7.5 What if an employer has no active members?

When employers leave the fund because their last active member has left, they may pay a cessation debt, receive an exit credit or enter a DDA/DSA. Beyond this they have no further obligation to the fund and either:

a) their asset share runs out before all ex-employees' benefits have been paid. The other fund employers may be required to contribute to the remaining benefits. The fund actuary will portion the liabilities on a pro-rata basis at successive formal valuations.

b) the last ex-employee or dependant dies before the employer's asset share is fully run down. The fund actuary will apportion the remaining assets to the other fund employers on a pro-rata basis.

8 What are the statutory reporting requirements?

8.1 Reporting regulations

The Public Service Pensions Act 2013 requires the Government Actuary's Department to report on LGPS funds in England and Wales after every three-year valuation, in what's usually called a section 13 report. The report should include confirmation that employer contributions are set at the right level to ensure the fund's solvency and long-term cost efficiency.

8.2 Solvency

Employer contributions are set at an appropriate solvency level if the rate of contribution targets a funding level of 100% over an appropriate time, using appropriate assumptions compared to other funds. Either:

(a) employers collectively can increase their contributions, or the fund can realise contingencies to target a 100% funding level

or

(b) there is an appropriate plan in place if there is, or is expected to be, a reduction in employers' ability to increase contributions as needed.

8.3 Long-term cost efficiency

Employer contributions are set at an appropriate long-term cost efficiency level if the contribution rate makes provision for the cost of current benefit accrual, with an appropriate adjustment for any surplus or deficit.

To assess this, the administering authority may consider absolute and relative factors.

Relative factors include:

1. comparing LGPS funds with each other
2. the implied deficit recovery period
3. the investment return required to achieve full funding after 20 years.

Absolute factors include:

1. comparing funds with an objective benchmark
2. the extent to which contributions will cover the cost of current benefit accrual and interest on any deficit
3. how the required investment return under relative considerations compares to the estimated future return targeted by the investment strategy
4. the extent to which contributions paid are in line with expected contributions, based on the rates and adjustment certificate
5. how any new deficit recovery plan reconciles with, and can be a continuation of, any previous deficit recovery plan, allowing for fund experience.

These metrics may be assessed by GAD on a standardised market-related basis where the fund's actuarial bases don't offer straightforward comparisons.

Appendices

Appendix A – The regulatory framework

A1 Why do funds need a funding strategy statement?

The Local Government Pension Scheme (LGPS) regulations require funds to maintain and publish a funding strategy statement (FSS). According to the Department for Levelling Up, Housing and Communities (DLUHC) the purpose of the FSS is to document the processes the administering authority uses to:

- *establish a* ***clear and transparent fund-specific strategy*** *identifying how employers' pension liabilities are best met going forward*
- *support the regulatory framework to maintain* ***as nearly constant employer contribution rates as possible***
- *ensure the fund meets its* ***solvency and long-term cost efficiency*** *objectives*
- *take a* ***prudent longer-term view*** *of funding those liabilities.*

To prepare this FSS, the administering authority has used guidance by the Chartered Institute of Public Finance and Accountancy (CIPFA).

A2 Consultation

Both the LGPS regulations and most recent CIPFA guidance state the FSS should be prepared in consultation with "*persons the authority considers appropriate*". This should include '*meaningful dialogue… with council tax raising authorities and representatives of other participating employers*'.

The consultation process included issuing a draft version to participating employers and discussing key aspects. Any policy changes from the previous versions of the FSS were highlighted to employers during this process.

A3 How is the FSS published?

The FSS is emailed to participating employers, Investment Sub-Committee members, Fund advisors and Local Pension Board who have employee and pensioner representatives. Copies are freely available on request and also on the fund's website.

The FSS is published at https://warwickshirepensionfund.org.uk/employers/current-employers

A4 How often is the FSS reviewed?

The FSS is reviewed in detail at least every three years as part of the valuation. Amendments may be made before then if there are regulatory or operational changes. Any material amendments will be consulted on, agreed by the fund's Investment Sub-Committee and included in the Committee meeting minutes.

A5 How does the FSS fit into the overall fund documentation?

The FSS is a summary of the fund's approach to funding liabilities. It isn't exhaustive – the fund publishes other statements like the investment strategy statement, governance strategy and communications strategy. The fund's annual report and accounts also includes up-to-date fund information.

You can see all fund documentation athttps://warwickshirepensionfund.org.uk/employers/current-employers

Appendix B – Roles and responsibilities

B1 The administering authority:

1 operates the fund and follows all Local Government Pension Scheme (LGPS) regulations

2 manages any conflicts of interest from its dual role as administering authority and a fund employer

3 collects employer and employee contributions, investment income and other amounts due

4 ensures cash is available to meet benefit payments when due

5 pays all benefits and entitlements

6 invests surplus money like contributions and income which isn't needed to pay immediate benefits, in line with regulation and the investment strategy

7 communicates with employers so they understand their obligations

8 safeguards the fund against employer default

9 works with the fund actuary to manage the valuation process

10 provides information to the Government Actuary's Department so they can carry out their statutory obligations

11 consults on, prepares and maintains the funding and investment strategy statements

12 tells the actuary about changes which could affect funding

13 monitors the fund's performance and funding, amending the strategy statements as necessary

14 enables the local pension board to review the valuation process.

B2 Individual employers:

1 deduct the correct contributions from employees' pay

2 pay all contributions by the due date

3 have appropriate policies in place to work within the regulatory framework

4 make additional contributions as agreed, for example to augment scheme benefits or early retirement strain

5 tell the administering authority promptly about any changes to circumstances, prospects or membership which could affect future funding.

6 make any required exit payments when leaving the fund.

B3 The fund actuary:

1 prepares valuations, including setting employers' contribution rates, agreeing assumptions, working within FSS and LGPS regulations and appropriately targeting fund solvency and long-term cost efficiency

2 provides information to the Government Actuary Department so they can carry out their statutory obligations

3 advises on fund employers, including giving advice about and monitoring bonds or other security

4 prepares advice and calculations around bulk transfers and individual benefits

5 assists the administering authority to consider changes to employer contributions between formal valuations

6 advises on terminating employers' participation in the fund

7 fully reflects actuarial professional guidance and requirements in all advice.

B4 Other parties:

1 internal and external investment advisers ensure the investment strategy statement (ISS) is consistent with the funding strategy statement

2 investment managers, custodians and bankers play their part in the effective investment and dis-investment of fund assets in line with the ISS

3 auditors comply with standards, ensure fund compliance with requirements, monitor and advise on fraud detection, and sign-off annual reports and financial statements

4 governance advisers may be asked to advise the administering authority on processes and working methods

5 internal and external legal advisers ensure the fund complies with all regulations and broader local government requirements, including the administering authority's own procedures

6 the Department for Levelling Up, Housing and Communities, assisted by the Government Actuary's Department and the Scheme Advisory Board, work with LGPS funds to meet Section 13 requirements.

Appendix C – Risks and controls

C1 Managing risks

The administering authority has a risk management programme to identify and control financial, demographic, regulatory and governance risks.

The role of the local pension board is set out in the board terms of reference available at https://warwickshirepensionfund.org.uk/scheme/scheme-1/6

Details of the key fund-specific risks and controls are set out in the risk register which is available in the Pensions Investment Sub Committee papers, which are published online

C2 Employer covenant assessment and monitoring

Many of the employers participating in the fund, such as admitted bodies (including TABs and CABs), have no local tax-raising powers. The fund assesses and monitors the long-term financial health of these employers to assess an appropriate level of risk for each employer's funding strategy.

Type of employer	Assessment	Monitoring
Local Authorities, Police, Parish and Town councils	Tax-raising or government-backed, no individual assessment required	n/a
Academies	Government-backed, covered by DfE guarantee in event of MAT failure	Check that DfE guarantee continues after regular scheduled DfE review
Colleges & Universities	Assessments may be commissioned by specialists as appropriate or carried out by Fund Officers	The Fund will review employers periodically or when a significant event occurs
Admission bodies (including TABs & CABs)	Assessments may be commissioned by specialists as appropriate or carried out by Fund Officers	The Fund will review employers periodically or when a significant event occurs

C3 Climate risk and TCFD reporting

The fund has considered climate-related risks when setting the funding strategy. To consider the resilience of the strategy the fund has included climate scenario stress testing in the contribution modelling exercise for the precepting employers at the 2022 valuation. The modelling results under the stress tests were slightly worse than the core results but were still within risk tolerance levels, particularly given the severity of the stresses applied. The results provide assurance that the modelling approach does not significantly underestimate the potential impact of climate change and that the funding strategy is resilient to climate risks. The results of these stress tests may be used in future to assist with disclosures prepared in line with Task Force on Climate-Related Financial Disclosures (TCFD) principles.

The same stress tests were not applied to the funding strategy modelling for smaller employers. However, given that the same underlying model is used for all employers and that the local authority employers make up the vast majority of the fund's assets and liabilities, applying the stress tests to all employers was not deemed proportionate at this stage and would not be expected to result in any changes to the agreed contribution plans.

The Fund has a Responsible Investment Policy Framework and a separate Climate Risk Policy, both of which were last agreed by the Pension Fund Investment Sub-Committee in 2021.

Appendix D – Actuarial assumptions

The fund's actuary uses a set of assumptions to determine the strategy, and so assumptions are a fundamental part of the funding strategy statement.

D1 What are assumptions?

Assumptions are used to estimate the benefits due to be paid to members. Financial assumptions determine the amount of benefit to be paid to each member, and the expected investment return on the assets held to meet those benefits. Demographic assumptions are used to work out when benefit payments are made and for how long.

The funding target is the money the fund aims to hold to meet the benefits earned to date.

Any change in the assumptions will affect the funding target and contribution rate, but different assumptions don't affect the actual benefits the fund will pay in future.

D2 What assumptions are used to set the contribution rate?

The fund doesn't rely on a single set of assumptions when setting contribution rates, instead using Hymans Robertson's Economic Scenario Service (ESS) to project each employer's assets, benefits and cashflows to the end of the funding time horizon.

ESS projects future benefit payments, contributions and investment returns under 5,000 possible economic scenarios, using variables for future inflation and investment returns for each asset class, rather than a single fixed value.

For any projection, the fund actuary can assess if the funding target is satisfied at the end of the time horizon.

Summary of assumptions underlying the ESS, 31 March 2022

		Annualised total returns												
		Index Linked Gilts (long)	UK Equity	Private Equity	Property	Emerging Markets Equity	Unlisted Infra-structure Equity	Absolute Return Bonds (inv grade)	All World ex UK Equity in GBP Unhedged	Direct Lending (private debt) GBP Hedged	Corp Medium A	Inflation (CPI)	17 year real yield (CPI)	17 year yield
10 years	16th %'ile	-3.1%	-0.4%	-1.2%	-0.6%	-2.5%	0.7%	0.9%	-0.4%	2.7%	-0.1%	1.6%	-1.7%	1.1%
	50th %'ile	-0.7%	5.7%	9.4%	4.4%	5.8%	5.9%	2.3%	5.8%	6.0%	1.6%	3.3%	-0.5%	2.5%
	84th %'ile	2.0%	11.6%	20.1%	9.5%	14.4%	11.2%	3.7%	11.9%	9.2%	3.2%	4.9%	0.7%	4.3%
20 years	16th %'ile	-2.6%	1.7%	2.4%	1.4%	0.1%	2.6%	1.4%	1.8%	4.3%	1.1%	1.2%	-0.7%	1.3%
	50th %'ile	-0.9%	6.2%	10.0%	5.0%	6.3%	6.5%	2.9%	6.3%	6.8%	2.1%	2.7%	1.1%	3.2%
	84th %'ile	0.8%	10.6%	17.6%	8.9%	12.8%	10.6%	4.6%	11.1%	9.2%	3.2%	4.3%	2.7%	5.7%
40 years	16th %'ile	-1.1%	3.2%	4.7%	2.6%	2.1%	3.9%	1.6%	3.4%	5.5%	2.0%	0.9%	-0.6%	1.1%
	50th %'ile	0.3%	6.7%	10.3%	5.5%	6.8%	7.0%	3.3%	6.8%	7.7%	3.1%	2.2%	1.3%	3.3%
	84th %'ile	1.9%	10.2%	16.1%	8.8%	11.7%	10.3%	5.4%	10.4%	10.0%	4.4%	3.7%	3.2%	6.1%
	Volatility (Disp) (5 yr)	9%	18%	30%	15%	26%	15%	3%	18%	10%	7%	3%		

ESS assumptions are calibrated at each month end. Contribution rate assessments carried out after 31 March 2022 will use the most up to date calibration of the ESS at the date the employer joins the fund.

D3 What financial assumptions were used?

Future investment returns and discount rate

The fund uses a risk-based approach to generate assumptions about future investment returns over the funding time horizon, based on the investment strategy.

The discount rate is the annual rate of future investment return assumed to be earned on assets after the end of the funding time horizon. The discount rate assumption is set as a margin above the risk-free rate.

Assumptions for future investment returns depend on the funding objective.

	Employer type	Margin above risk-free rate
Ongoing basis	All employers except transferee admission bodies and closed community admission bodies	1.7%
Low-risk exit basis	Community admission bodies closed to new entrants	0%
Contractor exit basis	Transferee admission bodies	Equal to the margin used to allocate assets to the employer on joining the fund

Discount rate (for funding level calculation as at 31 March 2022 only)

For the purpose of calculating a funding level at the 2022 valuation, a discount rate of 4.0% applies. This is based on a prudent estimate of investment returns, specifically, that there is a 75% likelihood that the fund's assets will achieve future investment returns of 4.0% over the 19 years following the 2022 valuation date.

Pension increases and CARE revaluation

Deferment and payment increases to pensions and revaluation of CARE benefits are in line with the Consumer Price Index (CPI) and determined by the regulations.

The CPI assumption is based on Hymans Robertson's ESS model. The median value of CPI inflation from the ESS was 2.7% pa on 31 March 2022.

Salary growth

The salary increase assumption at the latest valuation has been set to 1.0% above CPI pa plus a promotional salary scale.

D4 What demographic assumptions were used?

Demographic assumptions are best estimates of future experience. The fund uses advice from Club Vita to set demographic assumptions, as well as analysis and judgement based on the fund's experience.

Demographic assumptions vary by type of member, so each employer's own membership profile is reflected in their results.

Life expectancy

The longevity assumptions are a bespoke set of VitaCurves produced by detailed analysis and tailored to fit the fund's membership profile.

Allowance has been made for future improvements to mortality, in line with the 2021 version of the continuous mortality investigation (CMI) published by the actuarial profession. The starting point has been adjusted by +0.25% to reflect the difference between the population-wide data used in the CMI and LGPS membership. A long-term rate of mortality improvements of 1.5% pa applies.

The smoothing parameter used in the CMI model is 7.0. There is little evidence currently available on the long-term effect of Covid-19 on life expectancies. To avoid an undue impact from recent mortality experience on long-term assumptions, no weighting has been placed on data from 2020 and 2021 in the CMI.

Other demographic assumptions

Retirement in normal health	Members are assumed to retire at the earliest age possible with no pension reduction.
Promotional salary increases	Sample increases below
Death in service	Sample rates below
Withdrawals	Sample rates below
Retirement in ill health	Sample rates below
Family details	A varying proportion of members are assumed to have a dependant partner at retirement or on earlier death. For example, at age 60 this is assumed to be 90% for males and 85% for females. Beyond retirement the proportion is adjusted for assumed dependant mortality. Males are assumed to be 3 years older than females, and partner dependants are assumed to be opposite sex to members.
Commutation	65% of maximum tax-free cash
50:50 option	1.0% of members will choose the 50:50 option.

Males

Incidence per 1000 active members per year								
Age	Salary scale	Death before retirement	Withdrawals		Ill-health tier 1		Ill-health tier 2	
		FT &PT	FT	PT	FT	PT	FT	PT
20	105	0.17	404.31	813.01	0	0	0	0
25	117	0.17	267.06	537.03	0	0	0	0
30	131	0.2	189.49	380.97	0	0	0	0
35	144	0.24	148.05	297.63	0.1	0.07	0.02	0.01
40	150	0.41	119.2	239.55	0.16	0.12	0.03	0.02
45	157	0.68	111.96	224.96	0.35	0.27	0.07	0.05
50	162	1.09	92.29	185.23	0.9	0.68	0.23	0.17
55	162	1.7	72.68	145.94	3.54	2.65	0.51	0.38
60	162	3.06	64.78	130.02	6.23	4.67	0.44	0.33
65	162	5.1	0	0	11.83	8.87	0	0

Females

Incidence per 1000 active members per year									
Age	Salary scale	Death before retirement	Withdrawals		Ill-health tier 1		Ill-health tier 2	
		FT &PT	FT	PT	FT	PT	FT	PT
20	105	0.1	352.42	467.37	0	0	0	0
25	117	0.1	237.14	314.44	0.1	0.07	0.02	0.01
30	131	0.14	198.78	263.54	0.13	0.1	0.03	0.02
35	144	0.24	171.57	227.38	0.26	0.19	0.05	0.04
40	150	0.38	142.79	189.18	0.39	0.29	0.08	0.06
45	157	0.62	133.25	176.51	0.52	0.39	0.1	0.08
50	162	0.9	112.34	148.65	0.97	0.73	0.24	0.18
55	162	1.19	83.83	111.03	3.59	2.69	0.52	0.39
60	162	1.52	67.55	89.37	5.71	4.28	0.54	0.4
65	162	1.95	0	0	10.26	7.69	0	0

D5 What assumptions apply in a cessation valuation following an employer's exit from the fund?

Employers with no guarantor

Where there is no suitable guarantor or risk-sharing arrangement, the low-risk exit basis will apply.

The financial and demographic assumptions underlying the low-risk exit basis are explained below:

- The discount rate is set equal to the annualised yield on long dated government bonds at the cessation date, with no further outperformance margin. This yield was 1.7% pa on 31 March 2022.
- The CPI assumption is based on the weighted average of CPI for the next 20 years from Hymans Robertson's ESS model. The median value of CPI inflation from the ESS was 2.7% pa on 31 March 2022.
- Life expectancy assumptions are those used to set contribution rates, with one adjustment. A higher long-term rate of mortality improvements of 1.75% pa is assumed.

Employers with a guarantor

Where there is a guarantor (eg in the case of contractors where the local authority guarantees the contractor's admission in the fund), the funding basis used to calculate contribution rates will apply to derive financial and demographic assumptions (typically either contractor exit basis or the ongoing basis).

If the cessation event is trigged by the admission agreement being terminated early by the contractor, then the low-risk exit basis will apply.

Appendix E – Policy on contribution reviews

Effective date of policy	1st February 2023
Date approved	6th March 2023
Version	1.0
Next review	No later than 31 March 2026

Introduction

The purpose of this policy is to set out the administering authority's approach to reviewing contribution rates between triennial valuations.

It should be noted that this statement is not exhaustive and individual circumstances may be taken into consideration where appropriate.

E1 Aims and objectives

The administering authority's aims and objectives related to this policy are as follows:

- To provide employers with clarity around the circumstances where contribution rates may be reviewed between valuations.
- To outline specific circumstances where contribution rates will not be reviewed.

E2 Background

The Fund may amend contribution rates between valuations for 'significant change' to the liabilities or covenant of an employer.

Such reviews may be instigated by the fund or at the request of a participating employer.

Any review may lead to a change in the required contributions from the employer.

E3 Guidance and regulatory framework

Regulation 64 of the Local Government Pension Scheme Regulations 2013 (as amended) sets out the way in which LGPS funds should determine employer contributions, including the following;

- Regulation 64(4) – allows the administering authority to review the contribution rate if it becomes likely that an employer will cease participation in the fund, with a view to ensuring that the employer is fully funded at the expected exit date.
- Regulation 64A - sets out specific circumstances where the administering authority may revise contributions between valuations (including where a review is requested by one or more employers).

This policy also reflects statutory guidance from the Department for Levelling Up, Housing and Communities on preparing and maintaining policies relating to the review of employer contributions. Interested parties may want to refer to an accompanying guide that has been produced by the Scheme Advisory Board.

E4 Statement of principles

This statement of principles covers review of contributions between valuations. Each case will be treated on its own merits, but in general:

- The administering authority reserves the right to review contributions in line with the provisions set out in the LGPS Regulations.
- The decision to make a change to contribution rates rests with the administering authority, subject to consultation with employers during the review period.
- Full justification for any change in contribution rates will be provided to employers.
- Advice will be taken from the fund actuary in respect of any review of contribution rates.
- Any revision to contribution rates will be reflected in the Rates & Adjustments certificate.

E5 Policy

E5.1 Circumstances for review

The fund would consider the following circumstances as a potential trigger for review:

- in the opinion of an administering authority there are circumstances which make it likely that an employer (including an admission body) will become an exiting employer sooner than anticipated at the last valuation;
- an employer is approaching exit from the fund within the next two years or before completion of the next triennial valuation;
- there are changes to the benefit structure set out in the LGPS Regulations which have not been allowed for at the last valuation;
- it appears likely to the administering authority that the amount of the liabilities arising or likely to arise for an employer or employers has changed significantly since the last valuation;
- it appears likely to the administering authority that there has been a significant change in the ability of an employer or employers to meet their obligations (e.g. a material change in employer covenant, or provision of additional security);
- it appears to the administering authority that the membership of the employer has changed materially such as bulk transfers, significant reductions to payroll or large-scale restructuring; or
- where an employer has failed to pay contributions or has not arranged appropriate security as required by the administering authority.

E5.2 Employer requests

The administering authority will also consider a request from any employer to review contributions where the employer has undertaken to meet the costs of that review and sets out the reasoning for the review (which would be expected to fall into one of the above categories, such as a belief that their covenant has changed materially, or they are going through a significant restructuring impacting their membership).

The administering authority will require additional information to support a contribution review made at the employer's request. The specific requirements will be confirmed following any request and this is likely to include the following:

- a copy of the latest accounts;
- details of any additional security being offered (which may include insurance certificates);
- budget forecasts; and/or
- information relating to sources of funding.

The costs incurred by the administering authority in carrying out a contribution review (at the employer's request) will be met by the employer. These will be confirmed upfront to the employer prior to the review taking place.

E5.3 Other employers

When undertaking any review of contributions, the administering authority will also consider the impact of a change to contribution rates on other fund employers. This will include the following factors:

- The existence of a guarantor.
- The amount of any other security held.
- The size of the employer's liabilities relative to the whole fund.

The administering authority will consult with other fund employers as necessary.

E5.4 Effect of market volatility

Except in circumstances such as an employer nearing cessation, the administering authority will not consider market volatility or changes to asset values as a basis for a change in contributions outside a formal valuation.

E5.5 Documentation

Where revisions to contribution rates are necessary, the fund will provide the employer with a note of the information used to determine these, including:

- Explanation of the key factors leading to the need for a review of the contribution rates, including, if appropriate, the updated funding position.
- A note of the new contribution rates and effective date of these.
- Date of next review.
- Details of any processes in place to monitor any change in the employer's circumstances (if appropriate), including information required by the administering authority to carry out this monitoring.

The Rates & Adjustments certificate will be updated to reflect the revised contribution rates.

E6 Related Policies

The fund's approach to setting employer contribution rates is set out in the Funding Strategy Statement, specifically "Section 2 – How does the fund calculate employer contributions?".

Appendix F – Policy on prepayment of contributions

Effective date of policy	1st February 2023
Date approved	6th March 2023
Version	1.0
Next review	No later than 31 March 2026

Introduction

The purpose of this policy is to set out the administering authority's approach to the prepayment of regular contributions due by participating employers.

It should be noted that this statement is not exhaustive and individual circumstances may be taken into consideration where appropriate.

F1 Aims and objectives

The administering authority's aims and objectives related to this policy are as follows:

- To provide employers with clarity around the circumstances where prepayment of contributions will be permitted.
- To outline the key principles followed when calculating prepayment amounts.
- To outline the approach taken to assess the suitability of a prepayment as sufficient to meet the required contributions.

F2 Background

In recent years, some LGPS employers have requested to pre-pay regular contributions that were otherwise due to be paid to the fund in future. Employer contributions include the 'Primary Rate' – which is expressed as a percentage of payroll and reflects the employer's share of the cost of future service benefits, and the 'Secondary Rate' – which can be expressed as a percentage of payroll or a monetary amount and is an additional contribution designed to ensure that the total contributions payable by the Employer meet the funding objective.

On 22 March 2022, following a request from the LGPS Scheme Advisory Board, James Goudie QC provided an Opinion on the legal status of prepayments. This Opinion found that the prepayment of employee and employer contributions was not illegal, subject to the basis for determining the prepayment amount being reasonable, proportionate and prudent. Further, the Opinion set out specific requirements around the presentation of prepayments.

F3 Guidance and regulatory framework

The Local Government Pension Scheme Regulations 2013 (as amended) set out the way in which LGPS funds should determine employer contributions and contain relevant provisions regarding the payment of these, including the following:

- Regulation 67 – sets out the requirement for employers to pay contributions in line with the Rates and Adjustments (R&A) certificate and specifies that primary contributions be expressed as a percentage of pensionable pay of active members.
- Regulation 62 - sets the requirement for an administering authority to prepare an R&A certificate.
- Regulation 9 – outlines the contribution rates payable by active members

F4 Statement of principles

This statement of principles covers the prepayment of regular employer contributions to the fund. Each case will be treated on its own merits, but in general:

- The administering authority will permit the prepayment of employer contributions.
- Prepaying contributions expressed as a percentage of pay introduces the risk that the prepayment amount will be insufficient to meet the scheduled contribution (as a result of differences between expected and actual payroll). Prepaying contributions is therefore only permissible in the case of secure, long-term employers (e.g. local authorities).
- The prepayment of employee contributions is not permitted.
- A discount will be applied where employer contributions are prepaid, to reflect the investment return that is assumed to be generated by the fund over the period of prepayment. The rate of discount rate will be confirmed by the fund actuary.
- The fund actuary will determine the prepayment amount, which may require assumptions to be made about payroll over the period which the scheduled contribution is due.
- Where contributions expressed as a percentage of pay have been prepaid, the administering authority will carry out an annual check (and additional contributions may be required by the employer) to make sure that the actual amounts paid are sufficient to meet the contribution requirements set out in the R&A certificate.
- Prepayment agreements will be documented by way of correspondence between the administering authority and the employer.
- The R&A certificate will be updated on an annual basis to reflect any prepayment agreements in place.
- Employers are responsible for ensuring that any prepayment agreement is treated appropriately when accounting for pensions costs.
- Prepayment agreements can cover any annual period of the R&A (or a consecutive number of annual periods).

F5 Policy

F5.1 Eligibility and periods covered

The fund is happy to consider requests from any employers to pre-pay certified primary and secondary contributions. However, in general, the prepayment of contributions is only appropriate for large, secure employers with stable active memberships. Employer contributions over the period of the existing R&A certificate (and, where a draft R&A certificate is being prepared following the triennial valuation, the draft R&A certificate) may be pre-paid by employers.

Prepayment of contributions due after the end of the existing (or draft) R&A certificate is not permitted, i.e. it would not be possible to prepay employer contributions due in the 2026/27 year until the results of the 2025 valuation are known and a draft R&A certificate covering the 2026 to 2029 period has been prepared.

F5.2 Request and timing

Prior to making any prepayment, employers are required to inform the fund in writing of their wish to prepay employer contributions and to request details of the amount required by the fund to meet the scheduled future contribution.

This request should be received by the fund no later than 2 months of the start of the period for which the prepayment is in respect of.

The fund will then provide the employer with a note of the prepayment amount and the date by which this should be paid. In general, the prepayment should be made prior to the beginning of the appropriate R&A period.

Failure to pay the prepayment amount by the specified date may lead to the need for an additional and immediate payment from the employer to ensure that the amount paid is sufficient to meet the certified amount set out in the R&A certificate.

F5.3 Calculation

The fund actuary will determine the prepayment amount required.

Where the prepayment is in respect of contributions expressed as a percentage of pay:

- The fund actuary will determine the discounted value of scheduled contributions based on an estimate of payroll over the period (using the information available and assumptions set at the previous valuation) and the discount rate set for the purpose of the previous actuarial valuation (as specified in the previous actuarial valuation report).
- A sufficiency check will be required at the end of the period (see section F5.4)

Where the prepayment is in respect of contributions expressed as a monetary amount:

- The fund actuary will determine the discounted value of scheduled contributions based on the discount rate set for the purpose of the previous actuarial valuation (as specified in the previous actuarial valuation report).
- No sufficiency check will be required

Employers may pay more than the prepayment amount determined by the fund actuary.

No allowance for expected outsourcing of services and/or expected academy conversions will be made in the fund actuary's estimation of payroll for the prepayment period.

F5.4 Sufficiency check

Where contributions expressed as a percentage of pay are being prepaid, the fund actuary will carry out an **annual** assessment to check that sufficient contributions have been paid in respect of that period. Specifically, this will review the prepayment calculation based on actual payroll of the employer's active members over the period and this may lead to a top-up payment being required from the employer.

If this sufficiency check reveals that the prepayment amount was higher than that which would have been required based on actual payroll (i.e. if actual payroll over the period is less than was assumed), this will not lead to a refund of contributions to the employer. It may however be used to offset against any future top-up payments required. This will be at the discretion of the administering authority.

The sufficiency check will not compare the assumed investment return (i.e. the discount rate) with actual returns generated over the period. i.e. the check considers payroll only. Any shortfall arising due to actual investment returns being lower than that assumed will form part of the regular contribution assessment at the next valuation (as per the normal course of events).

The administering authority will notify the employer of any top-up amount payable following this annual sufficiency check and the date by which any top-up payment should be made.

F5.5 Documentation and auditor approval

The fund will provide the employer with a note of the information used to determine the prepayment amount, including:

- Discount rate used in the calculations
- The estimate of payroll (where applicable)
- The effective date of the calculation (and the date by which payment should be made)
- The scheduled regular payments which the prepayment amount covers.

The prepayment agreement will be reflected in the R&A certificate as follows:

- The unadjusted employer regular contribution rate payable over the period of the certificate
- As a note to the contribution rate table, information relating to the prepayment amount and the discount applied, for each employer where a prepayment agreement exists.

The R&A certificate will be updated on an annual basis to reflect any prepayment agreements in place.

Employers should discuss the prepayment agreement with their auditor prior to making payment and agree the accounting treatment of this. The fund will not accept any responsibility for the accounting implications of any prepayment agreement.

F5.6 Costs

Employers entering into a prepayment agreement may be required to meet the cost of administering such an arrangement, which includes (but is not limited to) the actuarial fees incurred by the administering authority.

F5.7 Risks

Employers enter into prepayment agreements on the expectation that the fund will be able to generate higher returns than they can over the prepayment period. Employers should be aware that future returns are not guaranteed, and it is possible that the returns generated on prepayment amounts may generate a lower return than that which can be generated by the employer. It is also possible that negative returns will lead to the value of any prepayment being less than that which was scheduled to be paid. In such circumstances, a top-up payment would not be required (as the sufficiency check only considers the effect of actual payroll being different to that assumed in the prepayment calculation), however the employer's asset share would be lower than it would have been if contributions were paid as scheduled. This would be considered by the fund actuary at the next triennial valuation (as per the normal course of events).

F6 Related Policies

The fund's approach to setting regular employer contribution rates is set out in the Funding Strategy Statement, specifically "Section 2 – How does the fund calculate employer contributions?".

Appendix G – Policy on academy funding

Effective date of policy	1st February 2023
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Introduction

The purpose of this policy is to set out the administering authority's funding principles relating to academies and Multi-Academy Trusts (MATs).

G1 Aims and Objectives

The administering authority's objectives related to this policy are as follows:

- to state the approach for the treatment and valuation of academy liabilities and asset shares on conversion from a local maintained school, if establishing as a new academy or when joining or leaving a MAT
- to state the approach for setting contribution rates for MATs
- to outline the responsibilities of academies seeking to consolidate
- to outline the responsibilities of academies when outsourcing

G2 Background

As described in Section 5.2 of the Funding Strategy Statement (FSS), new academies join the fund on conversion from a local authority school or on creation (eg newly established academies, Free Schools, etc). Upon joining the fund, for funding purposes, academies may become stand-alone employers or may join an existing MAT.

Funding policy relating to academies and MATs is largely at the fund's discretion, however guidance on how the fund will apply this discretion is set out within this policy.

G3 Guidance and regulatory framework

The Local Government Pension Scheme Regulations 2013 (as amended) contains general guidance on Scheme employers' participation within the fund which may be relevant but is not specific to academies.

There is currently a written ministerial guarantee of academy LGPS liabilities, which was reviewed in 2022.

Academy guidance from the Department for Education and the Department for Levelling Up, Housing and Communities may also be relevant.

G4 Statement of Principles

This Statement of Principles covers the fund's approach to funding academies and MATs. Each case will be treated on its own merits but in general:

- the fund will seek to apply a consistent approach to funding academies that achieves fairness to the ceding council, MATs and individual academies.
- Where the academy is part of a MAT that participates in the fund, the academy's assets and liabilities will be calculated individually but will, for the purposes of setting contribution rates, be combined with those of the other academies in the MAT.

- academies must consult with the fund prior to carrying out any outsourcing activity.
- the fund will generally not consider receiving additional academies into the fund as part of a consolidation exercise.

G5 Policies

G5.1 Admission to the fund

As set out in section 5.2 of the FSS:

Asset allocation on conversion
New academies will be allocated an asset share based on the estimated funding level of the ceding council's active members, having first allocated the council's assets to fully fund its deferred and pensioner members. This funding level will then be applied to the transferring liabilities to calculate the academy's initial asset share, capped at a maximum of 100%.

Contribution rate
The contribution rate payable by the new academy will depend on whether the academy is part of a multi-academy trust (MAT) that already participates in the fund.

Academy status	Contribution rate payable
Single academy trust	• Based on academy's membership and funding strategy set out in section 2 of the FSS OR • Rate equal to the average academy rate for the fund (details below)
Part of an existing MAT	As per the MAT's certified rate (subject to any necessary adjustment – see G5.2 below)

The average academy rate for the fund is

- 2023/24: 22.5% of pay
- 2024/25: 22.5% of pay
- 2025/26: 22.5% of pay

G5.2 Multi-academy trusts

Asset tracking
The Fund's current policy is to individually track the asset shares of each academy within the fund. Where a MAT exists, the individual asset shares may be pooled together to provide a pooled funding level or for setting a pooled contribution rate.

Contribution rate
Typically, the fund will calculate a contribution for the MAT pool (which is effectively an average rate of all the underlying individual academies in the MAT). This pooled rate will then be paid by all academies within the MAT.

If an academy is joining an existing pooled MAT (within the fund), in general, the transferring academy will pay the certified contribution rate of the MAT it is joining. At the discretion of the fund, a new contribution rate may be calculated by the fund actuary to allow for impact of the transferring academy joining the MAT.

Academies leaving a MAT

As set out in section 5.2 of the FSS, if an academy leaves one MAT and joins another, all active, deferred and pensioner members transfer to the new MAT. The asset share of that academy (as tracked individually) will be transferred to the new MAT in full, noting that this may be more (or less) than 100% of the transferring liabilities.

G5.3 Merging of MATs (contribution rates)

If two MATs merge during the period between formal valuations, the new merged MAT will usually pay the higher of the two certified individual MAT rates until the rates are reassessed at the next formal valuation.

Alternatively, as set out in the fund's contribution review policy in Appendix E and as per Regulation 64 A (1)(b)(iii) the MAT may request that a contribution review is carried out. The MAT would be liable for the costs of this review.

G5.4 Cessations of academies and multi-academy trusts

A cessation event will occur if a current academy or MAT ceases to exist as an entity or an employer in the fund.

The cessation treatment will depend on the circumstances:

- If the cessation event occurs due to an academy or MAT merging with another academy or MAT within the fund, all assets and liabilities from each of the merging entities will be combined and will become the responsibility of the new merged entity. No cessation assessment or payment will be required.
- If the MAT is split into more than one new or existing employers within the fund, the actuary will calculate a split of the assets and liabilities to be transferred from the exiting employer to the new employers as described in G5.2 above.
- In all other circumstances a cessation valuation will occur as set out in section 7 of the FSS and, following payment of any cessation debt or settlement of any exit credit, section 7.5 of the FSS would then apply going forward.

G5.5 Academy consolidations

If an academy or MAT is seeking to merge with another MAT outside of the fund they would need to seek approval from the secretary of state to consolidate their liabilities (and assets) into one LGPS fund.

Where a direction has been granted the fund does not generally accept academy consolidations into the fund. The fund will provide the necessary administrative assistance to academies seeking to consolidate into another LGPS fund, however the academy (or MAT) will be fully liable for all actuarial, professional and administrative costs.

G5.6 Outsourcing

An academy (or MAT) may outsource or transfer a part of its services and workforce via an admission agreement to another organisation (usually a contractor). The contractor becomes a new participating fund employer for the duration of the contract and transferring employees remain eligible for LGPS membership.

The contractor will pay towards the LGPS benefits accrued by the transferring members for the duration of the contract, but ultimately the obligation to pay for these benefits will revert to the academy (or MAT) at the end of the contract.

It is critical for any academy (or MAT) considering any outsourcing to contact the fund initially to fully understand the administrative and funding implications. The academy should also read and fully understand the fund's admissions and pass-through policy.

In all cases, it is necessary for the academy (or MAT) to seek approval from Department for Education/Education and Skills Funding Agency before completing an outsourcing (including seeking confirmation that the guarantee provided to academies will remain in place for the transferring members). The fund requires proof of the DfE/ESFA's approval before it admits the new contractor to the fund.

Where a local authority school outsources to another organisation and subsequently converts to an academy (or joins a MAT), any outsourced contracts at the point of conversion will be treated by the fund as having been let by the academy. The obligation to pay for transferring members benefits will revert to the academy (or MAT) at the end of the contract. The terms of the admission agreement and contribution rate payable by the outsourced body may be affected in this instance. In particular, if the academy (or MAT) cannot obtain approval from the Department for Education/Education and Skills Funding Agency to provide a guarantee to the Fund for the outsourcing, it is likely a bond will be required and the contribution rate will be reassessed. In such instances, the Fund would not be willing to agree to a pass-through (as defined in Appendix H) admission agreement.

G5.7 Accounting

Academies (or MATs) may choose to prepare combined FRS102 disclosures (eg for all academies within a MAT). Any pooling arrangements for accounting purposes may be independent of the funding arrangements (eg academies may be pooled for contribution or funding risks but prepare individual disclosures, or vice versa).

G6 Related Policies

The fund's approach to admitting new academies into the fund is set out in the Funding Strategy Statement, specifically "Section 5 – What happens when an employer joins the fund?". Other policies that apply are the:

- Contribution review policy (Appendix E)
- Bulk transfer policy (Appendix I)
- Cessation policy (Appendix J)

Appendix H – Policy on pass-through

Effective date of policy	1st February 2023
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Introduction

The purpose of this policy is to set out the administering authority's approach to admitting new contractors into the fund on a pass-through basis. In addition, and subject to review on a case-by-case basis, the fund may be willing to apply its passthrough principles to other admission bodies where liabilities are covered by a guarantor within the fund.

It should be noted that this statement is not exhaustive and individual circumstances may be taken into consideration where appropriate.

H1 Aims and objectives

The administering authority's aims and objectives related to this policy are as follows:

- To set out the fund's approach to admitting new contractors / admission bodies, including the calculation of contribution rates and how risks are shared under the pass-through arrangement.
- To outline the process for admitting new contractors / admission bodies into the fund.

H2 Background

Employees outsourced from local authorities, police authorities or from academy schools (regulated by the Department for Education) must be offered pension benefits that are the same, better than, or count as being broadly comparable to, the Local Government Pension Scheme (as per the Best Value Authorities Staff Transfer (Pensions) Direction 2007). This is typically achieved by employees remaining in the LGPS and the new employer becoming an admitted body to the fund and making the requisite employer contributions.

Pass-through is an arrangement whereby the letting authority (the local authority or the academy school) retains the main risks of fluctuations in the employer contribution rate during the life of the contract, and the risk that the employer's assets may be insufficient to meet the employees' pension benefits at the end of the contract.

H3 Guidance and regulatory framework

The Local Government Pension Scheme Regulations 2013 (as amended) set out the way in which LGPS funds should determine employer contributions and contain relevant provisions regarding the payment of these, including the following:

- Schedule 2 Part 3 sets out the entities eligible to join the fund as an admitted body, their key responsibilities as an admitted body and the requirements of the admission agreement.
- Regulation 67 – sets out the requirement for employers to pay contributions in line with the Rates and Adjustments (R&A) certificate and provides a definition of the primary rate.
- Regulation 64 - covers the requirements for a cessation valuation following the exit of a participating employer from the fund.

H4 Statement of principles

This statement of principles covers the admission of new contractors to the fund on a pass-through basis. Each case will be treated on its own merits, but in general:

- Pass-through is the default approach for the admission of all new contractors to the fund from the effective date of this policy. For the avoidance of doubt, this would apply to contracts established by councils, police authorities, and academy schools ("the letting authority").
- The contractor's pension contribution rate is set equal to the primary contribution rate payable by the letting authority. This will change from time to time in line with changes to the letting authority's primary contribution rate (i.e. following future actuarial valuations).
- The letting authority retains responsibility for variations in funding level, for instance due to investment performance, changes in market conditions, longevity, and salary experience under its pass-through arrangement, irrespective of the size of the outsourcing.
- The contractor will meet the cost of additional liabilities arising from (non-ill health) early retirements and augmentations.
- Ill health experience will be pooled with the letting authority and no additional strain payments will be levied on the contractor in respect of ill health retirements.
- The contractor will not be required to obtain an indemnity bond.
- There will be no notional transfer of assets to the contractor within the Fund. This means that all assets and liabilities relating to the contractor's staff will remain the responsibility of the letting authority during the period of participation.
- At the end of the contract (or when there are no longer any active members participating in the fund, for whatever reason), the admission agreement will cease and no further payment will be required from the contractor (or the letting authority) to the fund, save for any outstanding regular contributions and/or invoices relating to the cost of early retirement strains and/or augmentations. Likewise, no "exit credit" payment will be required from the fund to the contractor (or letting authority).
- The terms of the pass-through agreement will be documented by way of the admission agreement between the administering authority, the letting authority, and the contractor.
- Pass-through will only be applicable for outsourcings from academies where they can evidence that approval to act as guarantor has been sought from and approved by the Department for Education/Education and Skills Funding Agency
- All existing admission agreements are unaffected by this policy.

The principles outlined above are the default principles which will apply; however, the letting authority may request the specific details of a particular agreement to differ from the principles outlined above. The administering authority is not obliged to agree to a departure from the principles set out in this policy but will consider such requests and engage with the letting authority to reach agreement.

H5 Policy and process

H5.1 Compliance

Adherence to this policy is the responsibility of the relevant responsible service manager for any given outsourcing.

The administering authority must always be notified that an outsourcing has taken place, regardless of the number of members involved.

H5.2 Contribution rates

The contribution rate payable by the contractor over the period of participation will be set equal to the primary rate payable by the letting authority from time to time. This means that the contractor's contribution rate will change once every three years, following the triennial actuarial valuation, but not between those times. Even then, this would always be in line with changes in the letting authority future service primary rate, and not affected by the (generally more volatile) changes in past service funding level.

H5.3 Risk sharing and cessation valuation

The letting authority will retain the risk of the contractor becoming insolvent during the period of admission and so no indemnity bond will be required from contractors participating in the Fund on a pass-through basis. The letting authority is effectively guaranteeing the contractor's participation in the fund.

A cessation valuation is required when a contractor no longer has any active members in the fund. This could be due to a contract coming to its natural end, insolvency of a contractor or the last active member leaving employment or opting out of the LGPS.

Where a pass-through arrangement is in place, the fund assets and liabilities associated with outsourced employees are retained by the letting authority. At the end of the admission, the cessation valuation will therefore record nil assets and liabilities for the ceasing employer and that no cessation debt or exit credit is payable to or from the fund.

The contractor will be required to pay any outstanding regular contributions and/or unpaid invoices relating to the cost of (non-ill health) early retirement strains and/or augmentations at the end of the contract.

However, in some circumstances, the winning bidder will be liable for additional pension costs that arise due to items over which it exerts control. The risk allocation is agreed between the letting authority and the contractor, and typically is as follows:

Risks	Letting authority	Contractor/ Admitted body
Surplus/deficit prior to the transfer date	✓	
Interest on surplus/deficit	✓	
Investment performance of assets held by the Fund	✓	
Changes to the discount rate that affect past service liabilities	✓	
Changes to the discount rate that affect future service accrual *		✓
Change in longevity assumptions that affect past service liabilities	✓	
Changes to longevity that affect future accrual *		✓
Price inflation affects past service liabilities	✓	
Price inflation / pension increases that affect future accrual *		✓
Exchange of pension for tax free cash	✓	
Ill health retirement experience	✓	
Strain costs attributable to granting early retirements (not due to ill health (e.g. redundancy, efficiency, waiving actuarial reductions on voluntary early retirements)		✓
Greater/lesser level of withdrawals	✓	
Rise in average age of contractor's employee membership	✓	

Changes to LGPS benefit package *		✓
Excess liabilities attributable to the contractor granting pay rises that exceed those assumed in the last formal actuarial valuation of the Fund	✓	
Award of additional pension or augmentation		✓

** These elements would be picked up at the next triennial valuation, if the contractor is still active in the fund at that time, and would feed through into the letting authority's primary contribution rate and hence the contractor's contribution rate.*

H5.4 Accounting valuations

Accounting for pensions costs is a responsibility for individual employers.

It is the administering authority's understanding that contractors may be able to account for such pass-through admissions on a defined contribution basis and therefore no formal FRS102 / IAS19 report may be required (contractors are effectively paying a fixed rate and are largely indemnified from the risks inherent in providing defined benefit pensions).

As the letting authority retains most of the pension fund risk relating to contractors, it is the administering authority's understanding that these liabilities (and assets) should be included in the letting authority's FRS102 / IAS19 disclosures.

The administering authority expect employers to seek approval to the treatment of pension costs from their auditor.

H5.5 Application

Letting authorities may request terms which differ from those set out in this policy and any such request will be considered by the administering authority (but is under no obligation to accept the request).

All existing admission agreements (i.e. which commenced prior to the effective date of this policy) are unaffected by this policy.

H5.6 Process

The procurement department at each letting authority that has responsibility for staff/service outsourcing should be aware of this policy. The process detailed below must be adhered to by the letting authority and (where applicable) the winning bidder.

- **Tender Notification** - The letting authority must publicise this pass-through policy as part of its tender process to bidders. This should confirm that the winning bidder will not be responsible for ensuring that the liabilities of outsourced employees are fully funded at the end of the contract, and that the winning bidder will only be responsible for paying contributions to the fund during the period of participation and meeting the cost of (non-ill health) early retirement strains and the cost of benefit augmentations (assuming the terms of this policy are adhered to). It should also advise the employer contribution rate as detailed in section H5.2.

- **Initial notification to Pension Team** – The letting authority must contact the administering authority when a tender (or re-tender) of an outsourcing contract is taking place and staff (or former staff) are impacted. The administering authority must be advised prior to the start of the tender and the letting authority must also confirm that the terms of this policy have been adhered to.

- **Confirmation of winning bidder** – The letting authority must immediately advise the administering authority of the winning bidder.

- **Request for winning bidder to become an admitted body** – The winning bidder (in combination with the letting authority), should request to the administering authority that it wishes to become an admitted body within the Fund.

- **Template admission agreement** – a template pass-through admission agreement will be used for admissions under this policy. It will set out all agreed points relating to employer contribution rate, employer funding responsibilities, and exit conditions. Only in exceptional circumstances, and only with the prior agreement of the Administering authority, will the wording within the template agreement be changed. All admission agreements must be reviewed (including any changes) by the administering authority and - its legal advisors.

- **Signed admission agreement** - Signing of the admission agreement can then take place between an appropriate representative of the winning bidder, the lead finance officer of the letting authority, and the administering authority. It is at this point the fund can start to receive contributions from the contractor and its employee members (backdated if necessary).

- **Admitted body status** – The letting authority will advise the contractor of its requirements and responsibilities within the Fund.

H5.7 Costs

The letting authority will be required to meet the costs associated with administering the implementation of a pass-through admission agreement, which includes (but is not limited to) the actuarial fees incurred by the administering authority.

H6 Related Policies

The fund’s approach to setting regular employer contribution rates is set out in the Funding Strategy Statement, specifically “Section 2 – How does the fund calculate employer contributions?”.

The treatment of new employers joining the fund is set out in the in the Funding Strategy Statement, specifically “Section 5 – What happens when an employer joins the fund?”

The treatment of employers exiting the fund is set out in the in the Funding Strategy Statement, specifically “Section 7 – What happens when an employer leaves the fund?”

Other policies that apply are the:

- Cessation policy (Appendix J)

Appendix I – Policy on bulk transfers

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Introduction

The purpose of this policy is to set out the administering authority's approach to dealing with the bulk transfer of scheme member pension rights into and out of the fund in prescribed circumstances.

It should be noted that this statement is not exhaustive and individual circumstances may be taken into consideration where appropriate.

I1 Aims and Objectives

The administering authority's aims and objectives related to this policy are as follows:

- Bulk transfers out of the fund do not allow a deficit to remain behind unless a scheme employer is committed to repaying? this; and
- Bulk transfers received by the fund must be sufficient to pay for the added benefits being awarded to the members, again with the scheme employer making good any shortfall where necessary.

Bulk transfer requests will be considered on a case-by-case basis.

I2 Background

Bulk transfers into and out of the fund can occur for a variety of reasons, such as:

- where an outsourcing arrangement is entered into and active fund members join another LGPS fund, or leave the LGPS to join a broadly comparable scheme;
- where an outsourcing arrangement ceases and active scheme members re-join the Fund from another LGPS fund or a broadly comparable scheme;
- where there is a reorganisation of central government operations (transfers in from, or out to, other government sponsored schemes);
- where there is a reorganisation or consolidation of local operations (brought about by, for example, local government shared services, college mergers or multi-academy trust consolidations); or
- a national restructuring resulting in the admission of an employer whose employees have LGPS service in another LGPS fund, or vice versa.

Unlike bulk transfers out of the LGPS, there is no specific provision to allow for bulk transfers into the LGPS. As a result, any transfer value received into the LGPS, whether on the voluntary movement of an individual or the compulsory transfer of a number of employees, must be treated the same way as individual transfers.

I3 Guidance and regulatory framework

I3.1 Local Government Pension Scheme Regulations

When considering any circumstances involving bulk transfer provisions, the administering authority will always ensure adherence to any overriding requirements set out in the Local Government Pension Scheme Regulations 2013 (as amended), including:

- Regulation 98 – applies on transfer out to non-LGPS schemes. It allows for the payment of a bulk transfer value where at least two active members of the LGPS cease scheme membership and join another approved pension arrangement.

- Regulation 99 - gives the LGPS actuary discretion as to the choice of method of calculation used to calculate the bulk transfer value.

- Regulation 100 – allows an individual who holds relevant pension rights under a previous employer to request to be admitted for past service into the LGPS. Members wishing to transfer in accrued rights from a Club scheme (that is schemes with benefits broadly similar to those of the LGPS), who request to do so within 12 months of joining their new LGPS employment, must be granted their request. For members with "non-Club" accrued rights the LGPS fund does not have to grant the request. Any request must be received in writing from the individual within 12 months of active employment commencing or longer at the discretion of the employer and the administering authority.

- Regulation 103 - states that any transfer between one LGPS fund and another LGPS fund (in England and Wales) where 10 or more members elect to transfer will trigger bulk transfer negotiations between Fund actuaries.

I3.2 Best Value authorities

The Best Value Authorities Staff Transfers (Pensions) Direction 2007, which came into force on 1 October 2007, applies to all "Best Value Authorities" in England. Best Value Authorities include all county, district and borough councils in England, together with police and fire and rescue authorities, National Park Authorities and waste disposal authorities. The Direction:

- requires the contractor to secure pension protection for each transferring employee through the provision of pension rights that are the same as or are broadly comparable to or better than those they had as an employee of the authority, and

- provides that the provision of pension protection is enforceable by the employee.

The Direction also requires similar pension protection in relation to those former employees of an authority, who were transferred under TUPE to a contractor, in respect of any re-tendering of a contract for the provision of services (i.e. second and subsequent rounds of outsourcing).

I3.3 Academies and multi-academy trusts

New Fair Deal guidance, introduced in October 2013, applies to academies and multi-academy trusts. It requires that, where they outsource services, they ensure pension protection for non-teaching staff transferred is achieved via continued access to the LGPS. As a result the fund would not expect to have any bulk transfers out of the LGPS in respect of outsourcings from academies or multi-academy trusts.

I3.4 Other employers

For all scheme employers that do not fall under the definition of a Best Value Authority or are not an academy (i.e. town and parish councils, arms-length organisations, further and higher education establishments, charities and other admitted bodies), and who are not subject to the requirements of the Best Value Direction or new Fair Deal guidance, there is no explicit requirement to provide pension protection on the outsourcing or insourcing of services. However, any successful contractor is free to seek admission body status in the fund, subject to complying with the administering authority's requirements (e.g. having a bond or guarantor in place).

The old Fair Deal guidance may still apply to a specific staff transfer if permitted by the new Fair Deal guidance or if outside the coverage of the new Fair Deal guidance. (If the individual remains in their original scheme then their past service rights are automatically protected). In the absence of a bulk transfer agreement the administering authority would not expect to pay out more than individual Cash Equivalent Transfer Value (CETV) amounts, in accordance with appropriate Government Actuary's Department (GAD) guidance.

I4 Statement of principles

This statement of principles covers bulk transfer payments into and out of the fund. Each case will be treated on its own merits alongside appropriate actuarial advice, but in general:

- Where a group of active scheme members joins (or leaves) the fund, the administering authority's objective is to ensure that sufficient assets are received (or paid out) to meet the cost of providing those benefits.
- Ordinarily the administering authority's default approach for bulk transfers out (or in) will be to propose (or accept) that the transfer value is calculated using ongoing assumptions based on the employer's share of fund assets (capped at 100% of the value of the liabilities). The fund will retain the discretion to amend the bulk transfer basis to reflect the specific circumstances of each transfer – including (but not restricted to):
    - the use of cessation assumptions where unsecured liabilities are being left behind;
    - where a subset of an employer's membership is transferring (in or out), the fund may consider an approach of calculating the bulk transfer payment as the sum of CETVs for the members concerned; or
    - where transfer terms are subject to commercial factors.
- Where an entire employer is transferring in or out of the fund the bulk transfer should equal the asset share of the employer in the transferring fund regardless of whether this is greater or lesser than the value of past service liabilities for members.
- There may be situations where the fund accepts a transfer in amount which is less than required to fully fund the transferred in benefits on the fund's ongoing basis (e.g. where the employer has suitable strength of covenant and commits to meeting that shortfall over an appropriate period). In such cases the administering authority reserves the right to require the receiving employer to fund this shortfall (either by lump sum or by increases in ongoing employer contributions) ahead of the next formal valuation.
- Any shortfall between the bulk transfer payable by the fund and that which the receiving scheme is prepared to accept must be dealt with outside of the fund, for example by a top up from the employer to the receiving scheme or through higher ongoing contributions to that scheme.
- Service credits granted to transferring scheme members should fully reflect the value of the benefits being transferred, irrespective of the size of the transfer value paid or received.

I5 Policy

The following summarises the various scenarios for bulk transfers in or out of the fund, together with the Administering Authority's associated policies.

I5.1 Inter-fund transfer (transfer between the fund and another LGPS fund)

Scenario	Bulk transfer mechanism	Policy	Methodology
In	< 10 members – GAD guidance	CETVs in accordance with GAD guidance.	On receipt of a transfer value (calculated in line with the CETV transfer out formulae), the Fund will award the member a pension credit on a day-for-day basis.
	10 or more members – Regulation 103 of the Local Government Pension Scheme Regulations 2013	Where agreement can be reached, the Fund and the transferring fund (and their two actuaries) may agree to a negotiated bulk transfer arrangement. However, where agreement cannot be reached: **Actives only transferring:** CETVs in accordance with GAD guidance using transferring fund's actual fund returns for roll up to date of payment (rather than the interest applied for standard CETV's). **All members transferring (i.e. all actives, deferred and pensioners):** Receive all assets attributable to the membership within the transferring scheme.	The Fund's default policy is to accept a transfer value that is at least equal to the total of the individual CETVs calculated using the Club transfer-out formulae. The Fund will consult with the scheme employer whose funding position will be impacted by the transfer before agreeing to a negotiated bulk transfer arrangement. Pension credits will be awarded to the transferring members on a day-for-day basis.
Out	< 10 members – GAD guidance	CETVs in accordance with GAD guidance.	The transfer value paid to the receiving fund will be calculated in line with the CETV transfer-out formulae.
	10 or more members – Regulation 103 of the Local Government Pension Scheme Regulations 2013	Where agreement can be reached, the Fund and the receiving fund (and their two actuaries) may agree to a negotiated bulk transfer arrangement. However, where agreement cannot be reached: **Actives only transferring (i.e. remaining members left behind):** CETV in accordance with GAD guidance using the Fund's actual returns for roll-up to date of payment (rather than the interest applied for standard CETV's). **All actives transferring (i.e. deferred and pensioner members left behind):** Assets will be retained by the Fund to cover the liabilities of the deferred and pensioner members calculated using the Fund's low-risk exit assumptions. The residual assets will then be transferred to the receiving scheme.	The Fund's default policy is to offer the receiving scheme transfers out calculated using ongoing assumptions based on the ceding employer's share of fund assets (capped at 100% of the liability value). The Fund will consult with the scheme employer whose funding position will be impacted by the transfer before agreeing to a negotiated bulk transfer arrangement. Discretion exists to amend this to reflect specific circumstances of the situation.

		All members transferring (i.e. all actives, deferred and pensioners): Transfer all assets attributable to the membership to the receiving scheme.	

I5.2 Club Scheme

Scenario	Bulk transfer mechanism	Policy	Methodology
In	Club Memorandum	The Club mechanism ensures the pension credit in the Fund provides actuarially equivalent benefits.	The pension credit awarded to members transferring in will be calculated in line with the Club transfer-in formulae.
Out	Regulation 98 of the Local Government Pension Scheme Regulations 2013 or Club Memorandum	Where agreement can be reached, the Fund and the receiving scheme (and their two actuaries) may agree to a negotiated bulk transfer arrangement. Or Where agreement cannot be reached, revert to the Club transfer out formulae in accordance with GAD guidance.	The Fund's default policy is to offer the receiving scheme transfers out calculated using ongoing assumptions based on the ceding employer's share of fund assets (capped at 100% of the liability value). Discretion exists to amend this to reflect specific circumstances of the situation.

I5.3 Broadly Comparable Scheme or non-Club scheme

Scenario	Bulk transfer mechanism	Policy	Methodology
In	GAD guidance	Non-Club transfer in formulae in accordance with GAD guidance	The pension credit awarded to members transferring in will be calculated in line with the non-Club transfer in formulae.
Out	1 member only – GAD guidance	CETV in accordance with GAD guidance	The transfer value paid to the receiving scheme will be calculated in line with the CETV transfer-out formulae.
	2 or more members – Regulation 98 of the Local Government Pension Scheme Regulations 2013	Where agreement can be reached, the fund and the receiving scheme (and their two actuaries) may agree to a negotiated bulk transfer arrangement. Or Where agreement cannot be reached, revert to cash equivalent transfer values under GAD guidance	The Fund's default policy is to offer the receiving scheme transfers out calculated using ongoing assumptions based on the ceding employer's share of fund assets (capped at 100% of the liability value). Discretion exists to amend this to reflect specific circumstances of the situation.

I6 Practicalities and process

I6.1 Format of transfer payment

Ordinarily payment will be in cash.

A deduction from the bulk transfer will be made for any administration, legal and transaction costs incurred by the fund as a result of having to disinvest any assets to meet the form of payment that suits the receiving scheme.

I6.2 Impact on transferring employer

Any transfer out or in of pension rights may have an effect on the valuation position of the employer and consequently their individual contribution rate.

The fund will agree with the transferring employer how this change is dealt with. Though it is likely this will be through adjustments to its employer contribution rate, the fund may require a lump sum payment or instalments of lump sums to cover any relative deterioration in funding, for example where the deterioration in funding is a large proportion of its total notional assets and liabilities. Where the transfer is small relative to the employer's share of the fund, any adjustment may be deferred to the next valuation.

I6.3 Consent

Where required within the Regulations, for any bulk transfer the administering authority will ensure the necessary consent is obtained from each individual eligible to be part of the transfer.

I6.4 Approval process

The fund will normally agree to bulk transfers into or out of the fund where this policy is adhered to.

I6.5 Non-negotiable

It should be noted that, as far as possible, the fund's preferred terms on bulk transfers are non-negotiable. Any differences between the value the fund is prepared to pay (or receive) and that which the other scheme involved is prepared to accept (or pay) should be dealt with by the employers concerned outside the Fund.

I6.6 Costs

Actuarial and other professional costs will be recharged in full to the employer.

I7 Related Policies

None

Appendix J – Policy on cessations

Effective date of policy	1st February 2023
Date approved	6th March 2023
Version	1.0
Next review	No later than 31 March 2026

Introduction

The purpose of this policy is to set out the administering authority's approach to dealing with circumstances where a scheme employer leaves the fund and becomes an exiting employer (a cessation event).

It should be noted that this policy is not exhaustive. Each cessation will be treated on a case-by-case basis, however certain principles will apply as governed by the regulatory framework (see below) and the fund's discretionary policies (as described in section J5).

J1 Aims and Objectives

The administering authority's aims and objectives related to this policy are as follows:

- To confirm the approach for the treatment and valuation of liabilities for employers leaving the fund.
- To provide information about how the fund may apply its discretionary powers when managing employer cessations.
- To outline the responsibilities of (and flexibilities for) exiting employers, the administering authority, the actuary and, where relevant, the original ceding scheme employer (usually a letting authority).

J2 Background

As described in Section 7 of the Funding Strategy Statement (FSS), a scheme employer may become an exiting employer when a cessation event is triggered e.g. when the last active member stops participating in the fund. On cessation from the fund, the administering authority will instruct the fund actuary to carry out a valuation of assets and liabilities for the exiting employer to determine whether a deficit or surplus exists. The fund has full discretion over the repayment terms of any deficit, and the extent to which any surplus results in the payment of an exit credit.

J3 Guidance and regulatory framework

The Local Government Pension Scheme Regulations 2013 (as amended) contain relevant provisions regarding employers leaving the fund (Regulation 64) and include the following:

- Regulation 64 (1) – this regulation states that, where an employing authority ceases to be a scheme employer, the administering authority is required to obtain an actuarial valuation of the liabilities of current and former employees as at the termination date. Further, it requires the Rates & Adjustments Certificate to be amended to show the revised contributions due from the exiting employer
- Regulation 64 (2) – where an employing authority ceases to be a scheme employer, the administering authority is required to obtain an actuarial valuation of the liabilities of current and former employees as at the exit date. Further, it requires the Rates & Adjustments Certificate to be amended to show the exit payment due from the exiting employer or the excess of assets over the liabilities in the fund.
- Regulation 64 (2ZAB) – the administering authority must determine the amount of an exit credit, which may be zero, taking into account the factors specified in paragraph (2ZC) and must:

a) Notify its intention to make a determination to-
   (i) The exiting employer and any other body that has provided a guarantee to the Exiting Employer
   (ii) The scheme employer, where the exiting employer is a body that participated in the Scheme as a result of an admission agreement
b) Pay the amount determined to that exiting employer within six months of the exit date, or such longer time as the administering authority and the exiting employer agree.

- Regulation 64 (2ZC) – In exercising its discretion to determine the amount of any exit credit, the administering authority must have regard to the following factors-
    a) The extent to which there is an excess of assets in the fund relating to that employer in paragraph (2)(a)
    b) The proportion of this excess of assets which has arisen because of the value of the employer's contributions
    c) Any representations to the administering authority made by the exiting employer and, where that employer participates in the scheme by virtue of an admission agreement, any body listed in paragraphs (8)(a) to (d)(iii) of Part 3 to Schedule 2 of the Regulations: and
    d) Any other relevant factors

- Regulation 64 (2A) & (2B) – the administering authority, at its discretion, may issue a suspension notice to suspend payment of an exit amount for up to three years, where it reasonably believes the exiting employer is to have one or more active members contributing to the fund within the period specified in the suspension notice.

- Regulation 64 (3) – in instances where it is not possible to obtain additional contributions from the employer leaving the Fund or from the bond/indemnity or guarantor, the contribution rate(s) for the appropriate scheme employer or remaining fund employers may be amended.

- Regulation 64 (4) – where it is believed a scheme employer may cease at some point in the future, the administering authority may obtain a certificate from the fund actuary revising the contributions for that employer, with a view to ensuring that the assets are expected to be broadly equivalent to the exit payment that will be due.

- Regulation 64 (5) – following the payment of an exit payment to the Fund, no further payments are due to the fund from the exiting employer.

- Regulation 64 (7A-7G) – the administering authority may enter into a written deferred debt agreement, allowing the employer to have deferred employer status and to delay crystallisation of debt despite having no active members.

- Regulation 64B (1) – the administering authority may set out a policy on spreading exit payments.

In addition to the 2013 Regulations summarised above, Regulation 25A of the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 ("the Transitional Regulations") give the fund the ability to levy a cessation debt on employers who have ceased participation in the fund (under the previous regulations) but for whom a cessation valuation was not carried out at the time. This policy document describes how the fund expects to deal with any such cases.

This policy also reflects statutory guidance from the Department for Levelling Up, Housing and Communities on preparing and maintaining policies relating to employer exits. Interested parties may want to refer to an accompanying guide that has been produced by the Scheme Advisory Board.

These regulations relate to all employers in the fund.

J4 Statement of Principles

This Statement of Principles covers the fund's approach to exiting employers. Each case will be treated on its own merits but in general:

- it is the fund's policy that the determination of any surplus or deficit on exit should aim to minimise, as far as is practicable, the risk that the remaining, unconnected employers in the Fund have to make contributions in future towards meeting the past service liabilities of current and former employees of employers leaving the fund.
- the fund's preferred approach is to request the full payment of any exit debt (an exit payment), which is calculated by the actuary on the appropriate basis (as per Section 7 of the FSS and Section J5.1 below). This would extinguish any liability to the fund by the exiting employer.
- the fund's key objective is to protect the interests of the fund, which is aligned to protecting the interests of the remaining employers. A secondary objective is to consider the circumstances of the exiting employer in determining arrangements for the recovery of the exit debt.

J5 Policies

On cessation, the administering authority will instruct the fund actuary to carry out a cessation valuation to determine whether there is any deficit or surplus as defined in Section 4.3 of the FSS.

Where there is a deficit, payment of this amount in full would normally be sought from the exiting employer. The fund's normal policy is that this cessation debt is paid in full in a single lump sum within 28 days of the employer being notified.

However, the fund will consider written requests from employers to spread the payment over an agreed period, in the exceptional circumstance where payment of the debt in a single immediate lump sum could be shown by the employer to be materially detrimental to the employer's financial situation (see section J5.2 below).

In circumstances where there is a surplus, the administering authority will determine, at its sole discretion, the amount of exit credit (if any) to be paid to the exiting employer (see section J5.3 below).

J5.1 Approach to cessation calculations

Cessation valuations are carried out on a case-by-case basis at the sole discretion of the fund depending on the exiting employer's circumstances. However, in general the following broad principles and assumptions may apply, as described in Section 7.2 of the FSS and summarised below:

Type of employer	Cessation exit basis	Responsible parties for unpaid or future deficit emerging
Local Authorities, Police	Low risk basis[1]	Shared between other fund employers
Colleges	Low risk basis	Shared between other fund employers

Type of employer	Cessation exit basis	Responsible parties for unpaid or future deficit emerging
Academies[2]	Low risk basis	DfE guarantee may apply, otherwise see below
Admission bodies (TABs)	Ongoing basis / contractor exit basis[3]	Letting authority (where applicable), otherwise shared between other fund employers
Admission bodies (CABs)	Low risk basis	Shared between other fund employers (if no guarantor exists)
Designating employers	Low risk basis[4]	Shared between other fund employers (if no guarantor exists)

[1] Cessation is assumed not to be generally possible, as Scheduled Bodies are legally obliged to participate in the LGPS. In the rare event of cessation occurring (e.g. machinery of Government changes), these cessation principles would apply.

[2] Further details about academy cessations are set out in the fund's policy on academies (see Appendix G).

[3] Where a TAB has taken, in the view of the administering authority, action that has been deliberately designed to bring about a cessation event (e.g. stopping future accrual of LGPS benefits), then the cessation valuation will be carried out on a low-risk basis.

[4] Typically, the fund will not levy a cessation exit payment on Parish or Town Councils (if in deficit). Given this approach, the fund would not pay out an exit credit if such an employer was in surplus at cessation.

J5.2 Repayment flexibility on exit payments

Deferred spreading arrangement (DSA)
The fund will consider written requests from exiting employers to spread an exit payment over an agreed period in the exceptional circumstance where payment of the debt in a single immediate lump sum could be shown by the employer to be materially detrimental to the employer's financial situation.

In this exceptional case, the fund's policy is:

- The agreed spread period is no more than three years, but the fund could use its discretion to extend this period in extreme circumstances.
- The fund may consider factors such as the size of the exit payment and the financial covenant of the exiting employer in determining an appropriate spreading period.
- The exiting employer may be asked to provide the administering authority with relevant financial information such as a copy of its latest accounts, sources of funding, budget forecasts, credit rating (if any) etc. to help in this determination.
- Payments due under the DSA may be subject to an interest charge. The rate of interest will be set by the administering authority having taken advice from the fund actuary.
- The fund will only consider written requests within 28 days of the employer receiving confirmation of the amount of exit payment due. The exiting employer would be required to provide the fund with detailed financial information to support its request.

- The fund would take into account the amount of any security offered and seek actuarial, covenant and/or legal advice in all cases.
- The fund proposes a legal document, setting out the terms of the exit payment agreement, would be prepared by the fund and signed by all relevant parties prior to the payment agreement commencing.
- The terms of the legal document should include reference to the spreading period, the annual payments due, interest rates applicable, other costs payable and the responsibilities of the exiting employer during the exit spreading period.
- Any breach of the agreed payment plan would require payment of the outstanding cessation amount immediately.
- Deferred debt agreement (DDA)

The fund's preferred policy is for the spreading of payments, as detailed above, to be followed in the exceptional circumstances where an exiting employer is unable to pay the required cessation payment as a lump sum in full. However, in the event that spreading of payments will create a high risk of bankruptcy for the exiting employer, the fund may exercise its discretion to set up a deferred debt agreement as described in Regulation 64 (7A)).

The employer must meet all requirements on Scheme employers and pay the secondary rate of contributions as determined by the fund actuary until the termination of the DDA.

The Administering Authority may consider a DDA in the following circumstances:

- The employer requests the fund consider a DDA.
- The employer is expected to have a deficit if a cessation valuation was carried out.
- The employer is expected to be a going concern.
- The covenant of the employer is considered sufficient by the administering authority.

The administering authority will normally require:

- A legal document to be prepared, setting out the terms of the DDA and signed by all relevant parties prior to the arrangement commencing (including details of the time period of the DDA, the annual payments due, the frequency of review and the responsibilities of the employer during the period).
- Relevant financial information for the employer such as a copy of its latest accounts, sources of funding, budget forecasts, credit rating (if any) to support its covenant assessment.
- Security be put in place covering the employer's deficit on their cessation basis and the fund will seek actuarial, covenant and/or legal advice in all cases.
- Regular monitoring of the contribution requirements and security requirements
- All costs of the arrangement are met by the employer, such as the cost of advice to the fund, ongoing monitoring or the arrangement and correspondence on any ongoing contribution and security requirements.

A DDA will normally terminate on the first date on which one of the following events occurs:

- The employer enrols new active fund members.
- The period specified, or as varied, under the DDA elapses.

- The take-over, amalgamation, insolvency, winding up or liquidation of the employer.
- The administering authority serves a notice on the employer that the Administering Authority is reasonably satisfied that the employer's ability to meet the contributions payable under the DDA has weakened materially or is likely to weaken materially in the next 12 months.
- The Fund actuary assesses that the employer has paid sufficient secondary contributions to cover all (or almost all) of the exit payment due if the employer becomes an exiting employer on the calculation date (i.e. employer is now largely fully funded on their low risk basis).
- The Fund actuary assesses that the employer's value of liabilities has fallen below an agreed *de minimis* level and the employer becomes an exiting employer on the calculation date.
- The employer requests early termination of the agreement and settles the exit payment in full as calculated by the fund actuary on the calculation date (i.e. the employer pays their outstanding cessation debt on their cessation basis).

On the termination of a DDA, the employer will become an exiting employer and a cessation valuation will be completed in line with this policy.

J5.3 Exit credits

The administering authority's entitlement to determine whether exit credits are payable in accordance with these provisions shall apply to all employers ceasing their participation in the fund after 14 May 2018. This provision therefore is retrospectively effective to the same extent as provisions of the Local Government Pension Scheme (Amendment) Regulations 2020.

The administering authority may determine the amount of exit credit payable to be zero, however, in making a determination, the Administering Authority will take into account the following factors.

a) the extent to which there is an excess of assets in the fund relating to the employer over and above the liabilities specified.

b) the proportion of the excess of assets which has arisen because of the value of the employer's contributions.

c) any representations to the administering authority made by the exiting employer, guarantor, ceding scheme employer (usually the Letting Authority) or by a body which owns, funds or controls the exiting employer; or in some cases, the Secretary of State.

d) any other relevant factors

Admitted bodies

i. No exit credit will normally be payable in respect of admissions who joined the Fund before 14 May 2018 via a commercial arrangement with the letting authority/awarding authority/ceding employer, unless it is subject to a risk sharing arrangement as per paragraph iii) below. Prior to this date, the payment of an exit credit was not permitted under the Regulations and this will have been reflected in the commercial terms agreed between the admission body and the letting authority/awarding authority/ceding employer. This will also apply to any pre-14 May 2018 admission which has been extended or 'rolled over' beyond the initial expiry date and on the same terms that applied on joining the fund.

ii. No exit credit will normally be payable to any admission body who participates in the fund via the mandated pass-through approach. For the avoidance of doubt, whether an exit credit is payable to any admission body who participates in the fund via the “Letting employer retains pre-contract risks” route is subject to its risk sharing arrangement, as per paragraph iii) below.

iii. The fund will make an exit credit payment in line with any contractual or risk sharing agreements which specifically covers the ownership of exit credits/cessation surpluses or if the admission body and letting authority have agreed any alternative approach (which is consistent with the Regulations and any other legal obligations). This information, which will include which party is responsible for which funding risk, must be presented to the fund in a clear and unambiguous document with the agreement of both the admission body and the letting authority/awarding authority/ceding employer and within one month (or such longer time as may be agreed with the administering authority) of the admission body ceasing participation in the Fund. This will not apply to employers with no contractual or risk-sharing in place.

iv. In the absence of this information or if there is any dispute from either party with regards interpretation of contractual or risk sharing agreements as outlined in c), the fund will withhold payment of the exit credit until such disputes are resolved and the information is provided to the administering authority.

v. Where a guarantor arrangement is in place, but no formal risk-sharing arrangement exists, the fund will consider how the approach to setting contribution rates payable by the admission body during its participation in the fund reflects which party is responsible for funding risks. This decision will inform the determination of the value of any exit credit payment.

vi. If the admission agreement ends early, the fund will consider the reason for the early termination, and whether that should have any relevance on the fund’s determination of the value of any exit credit payment. In these cases, the fund will consider the differential between employers’ contributions paid (including investment returns earned on these monies) and the size of any cessation surplus.

vii. If an admitted body leaves on a low risk basis (because no guarantor is in place), then any exit credit will normally be paid in full to the employer.However, there may be circumstances where the administering authority determines that the payment of an exit credit is not appropriate. The decision of the fund in these instances is final.

viii. The decision of the fund is final in interpreting how any arrangement described under iii), v), vi) and vii) applies to the value of an exit credit payment.

Scheduled bodies and designating bodies

i. Where a guarantor arrangement is in place, but no formal risk-sharing arrangement exists, the fund will consider how the approach to setting contribution rates payable by the employer during its participation in the fund reflects which party is responsible for funding risks. This decision will inform the determination of the value of any exit credit payment.

ii. Where no formal guarantor or risk-sharing arrangement exists, the fund will consider how the approach to setting contribution rates payable by the employer during its participation in the fund reflects the extent to which it is responsible for funding risks. This decision will inform the determination of the value of any exit credit payment.

iii. The decision of the fund is final in interpreting how any arrangement described under i) and ii) applies to the value of an exit credit payment.

iv. If a scheduled body or designating body becomes an exiting employer due to a reorganisation, merger or take-over, then no exit credit will be paid.

v. If a scheduled body or resolution body leaves on a low-risk basis (because no guarantor is in place), then any exit credit will normally be paid in full to the employer.

General

i. The fund will advise the exiting employer as well as the letting authority and/or other relevant scheme employers of its decision to make an exit credit determination under Regulation 64.

ii. Subject to any risk sharing or other arrangements and factors discussed above, when determining the cessation funding position the fund will generally make an assessment based on the value of contributions paid by the employer during their participation, the assets allocated when they joined the fund and the respective investment returns earned on both.

iii. The fund will also factor in if any contributions due or monies owed to the fund remain unpaid by the employer at the cessation date. If this is the case, the fund's default position will be to deduct these from any exit credit payment.

iv. The final decision will be made by the administering authority, in conjunction with advice from the fund's actuary and/or legal advisors where necessary, in consideration of the points held within this policy.

v. The fund accepts that there may be some situations that are bespoke in nature and do not fall into any of the categories above. In these situations the fund will discuss its approach to determining an exit credit with all affected parties. The decision of the fund in these instances is final.

vi. The guidelines above at point v) in the 'Admitted bodies' section, and at points i) and ii) in the 'Scheduled bodies and designating bodies' section, make reference to the Fund 'considering the approach to setting contribution rates during the employer's participation'. The different funding approaches, including the parameters used and how these can vary based on employer type, are covered in detail in Table 2 (section 2.2) in the FSS. Considering the approach taken when setting contribution rates of the exiting employer may help the fund to understand the extent to which the employer is responsible for funding the underlying liabilities on exit. For example, if contribution rates have always been based on ongoing assumptions then this may suggest that these are also appropriate assumptions for exit credit purposes (subject to the other considerations outlined within this policy). Equally, a shorter than usual funding time horizon or lower than usual probability of success parameter may reflect underlying commercial terms about how responsibility for pension risks is split between the employer and its guarantor. For the avoidance of doubt, each exiting employer will be considered in the round alongside the other factors mentioned above.

vii. None of the above should be considered as fettering the fund's discretionary decision, instead it is an indication of how decisions are likely to be made. However it is important to bear in mind that each and every potential exit credit case will be considered by the administering authority on its own merits, and the administering authority will make its discretionary decision on that basis.

Disputes

In the event of any dispute or disagreement on the amount of any exit credit paid and the process by which that has been considered, the appeals and adjudication provisions contained in Regulations 74-78 of the LGPS Regulations 2013 would apply.

J6 Practicalities and process

J6.1 Responsibilities of ceasing employers

An employer which is aware that its participation in the fund is likely to come to an end must:

- advise the fund, in writing, of the likely ending of its participation (either within the terms of the admission agreement in respect of an admission body (as much notice as possible is required and at least 3 months notice is required) or otherwise as required by the Regulations for all other scheme employers). It should be noted that this includes closed employers where the last employee member is leaving (whether due to retirement, death or otherwise leaving employment).
- provide any relevant information on the reason for leaving the fund and, where appropriate, contact information in the case of a take-over, merger or insolvency.
- provide all other information and data requirements as requested by the administering authority which are relevant, including in particular any changes to the membership which could affect the liabilities (e.g. salary increases and early retirements) and an indication of what will happen to current employee members on cessation (e.g. will they transfer to another fund employer, will they cease to accrue benefits within the fund, etc.).

J6.2 Responsibilities of the administering authority

The administering authority will:

- gather information as required, including, but not limited to, the following:
    - details of the cessation - the reason the employer is leaving the fund (i.e. end of contract, insolvency, merger, machinery of government changes, etc.) and any supporting documentation that may have an effect on the cessation.
    - complete membership data for the outgoing employer and identify changes since the previous formal valuation.
    - the likely outcome for any remaining employee members (e.g. will they be transferred to a new employer, or will they cease to accrue liabilities in the Fund).
- identify the party that will be responsible for the employer’s deficit on cessation (i.e. the employer itself, an insurance company, a receiver, another fund employer, guarantor, etc.).
- commission the fund actuary to carry out a cessation valuation under the appropriate regulation.
- where applicable, discuss with the employer the possibility of paying adjusted contribution rates that target a 100% funding level by the date of cessation through increased contributions in the case of a deficit on the cessation basis or reduced contributions in respect of a surplus.
- where applicable, liaise with the original ceding employer or guarantor and ensure it is aware of its responsibilities, in particular for any residual liabilities or risk associated with the outgoing employer’s membership.
- having taken actuarial advice, notify the employer and other relevant parties in writing of the payment required in respect of any deficit on cessation and pursue payment.

J6.3 Payment of an exit credit

- If the actuary determines that there is an excess of assets over the liabilities at the cessation date, the administering authority will act in accordance with the exit credit policy above. If payment is required, the administering authority will advise the exiting employer of the amount due to be repaid and seek to make payment within six months of the exit date. However, in order to meet the six month timeframe, the administering authority requires prompt notification of an employers' exit and all data requested to be provided in a timely manner. The administering authority is unable to make any exit credit payment until it has received all data requested.

- At the time this policy was produced, the fund has been informed by HMRC that exit credits are not subject to tax, however all exiting employers must seek their own advice on the tax and accounting treatment of any exit credit.

J6.4 Responsibilities of the fund actuary

Following commission of a cessation valuation by the administering authority, the fund actuary will:

- calculate the surplus or deficit attributable to the outgoing employer on an appropriate basis, taking into account the principles set out in this policy.

- provide actuarial advice to the administering authority on how any cessation deficit should be recovered, giving consideration to the circumstances of the employer and any information collected to date in respect to the cessation.

- where appropriate, advise on the implications of the employer leaving on the remaining fund employers, including any residual effects to be considered as part of triennial valuations.

J7 Related Policies

The fund's approach to exiting employers is set out in the FSS, specifically "Section 7 – What happens when an employer leaves the fund?"

The approach taken to set the actuarial assumptions for cessation valuations is set out in Appendix D of the FSS.

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Agenda Item 6

Staff and Pensions Committee

11 September 2023

Pensions Administration Activity and Performance Update

Recommendation

That the Committee notes and comments on the content of the report.

1. Executive Summary

1.1 This report updates the Committee on the key developments affecting pensions administration and the performance of the Pensions Administration Service (PAS).

2. Financial Implications.

2.1 All financial implications are dealt with in the body of this report.

3. Environmental Implications

3.1 None arising directly from the content of this report.

4. Member Self Service (MSS)

4.1 The take up of MSS, split by our different types of members is as follows:

Active	5,194	32.4% of active members
Deferred	4,130	23.3% of deferred members
Pensioner	3,871	25.7% of pensioners

This equates to approximately 27% of the total membership.

4.4 The Pensions Admin Service (PAS) has begun to look at data regarding the profiles of members using MSS and those that have not yet engaged. From this we will develop a programme for contacting members to promote this facility further. This will include roadshows, where we will visit employers with low take up and encourage members to sign up.

5. E-payslips

5.1 June was the first month where we did not issue paper payslips, and as such we anticipated a larger number of queries from pensioners, following pay day.

5.2 Both the pensions team and customer contact centre received a lot of queries with regard to the registering for e-payslips, from those that had not already registered, password queries and requests for paper payslips. An FAQ sheet was created and shared with the teams in order to help deal with the queries.

5.3 We have received some feedback that for those that cannot access e-payslips, we should consider the need to still communicate with written correspondence. There is an option for members to opt out of digital communications and continue to receive information via post.

6. Key Performance Indicators (KPIs)

6.1 Appendix 1 shows the KPI performance for the period 1 April 2023 to 31 July 2023.

6.2 8 out of 14 KPIs are meeting their target and the remaining 6 have all seen improvements in the total number of cases being completed within the KPI deadline.

6.3 For KPI 1 – there has been a delay in processing these cases due to the team having to hold processing while we waited for new transfer factors to be provided by the Government Actuaries Department (GAD).

6.4 For context, the table below shows the volume of cases per KPI and the number of cases that were dealt within the KPI target.

Key Performance Indicator	Fund Target	Full Year KPI	Total Cases	Cases on Target
Target performance		*95%*		
1. Letter detailing transfer in quote	10 days	49%	153	75
2. Letter detailing transfer out quote	10 days	86%	111	95
3. Process and pay a refund	10 days	92%	102	94
4. Letter notifying estimate of retirement benefits (Active)	15 days	89%	102	91
5. Letter notifying actual retirement benefits (Active)	15 days	100%	121	121
6. Process and pay lump sum (Active)	10 days	99%	121	120
7. Process and pay death grant	10 Days	96%	42	40

Key Performance Indicator	Fund Target	Full Year KPI	Total Cases	Cases on Target
8. Initial letter notifying death of a member	5 days	94%	167	157
9. Letter notifying amount of dependents benefits	10 days	82%	47	39
10. Divorce quote letter	45 days	95%	39	37
11. Divorce settlement letter	15 days	100%	0	0
12. Send notification of joining scheme to member	40 days	100%	155	155
13. Deferred benefits into payment	15 days	98%	189	185
14. Calculate and notify deferred benefits.	30 days	96%	488	468

7. Pensioner Payroll Key Performance Indicators

7.1 Pensioner payroll for Warwickshire Pension Fund is administered by Warwickshire County Council's payroll team.

7.2 The table below provides information on the pensioner payroll service KPIs. Priority is given to ensuring payments are made by the agreed payment dates. Please note the customer care indicator is only recorded for formal complaints. Nil indicates no complaints have been received.

Measure	Description	Target	Q1 Perform.
Customer Care	Formal complaints will be responded to within 5 days	95%	Nil
Accuracy	Paying Pensioners accurately	99%	99.99%
Assurance	Paying Pensioners on time	100% of input submitted by processing deadline paid on scheduled date	100%
Statutory Returns	Returns completed by the required external deadlines	100%	100%
Satisfaction with Service	Deliver consistently high levels of customer satisfaction	Net promotor score of at least 8.8 from customers	10

8. Workloads

8.1 The PAS continues to monitor work being received by the team and ensure we have the resources to manage the workload.

8.2 From the 1 January 2023 to 31 July 2023 there have been 22,571 cases created and 21,916 completed, this compares to 24,321 created and 21,392 completed in the same period last year. There are currently 3,733 open cases across the section. This is a normal level of outstanding work for the team, and we are not seeing any backlog of cases being created.

8.3 The drop in number of cases created is a net result of the introduction of Member Self Service (MSS) where members of the scheme can now update their details online rather than submitting them through to the team. However, the use of MSS is increasing members awareness on pensions, which is a positive outcome, and so we are seeing an increase in general enquiries.

8.4 While we do not currently have a telephony system that records and provides reporting on the number of calls, we are receiving; the team are indicating that more calls are being dealt with.

8.5 We are also dealing with a lot more email traffic for both login queries and general questions about information held on the MSS system.

8.6 With the introduction of Pension dashboards, we will need to consider how we will resource queries coming into the team as awareness regarding pensions and planning for retirement increases.

9. Breaches

9.1 In accordance with the Fund's Breaches Policy, any amber breach results in direct contact with the employer responsible to resolve the issue. If this does not result in the necessary action required, further escalation can be used.

9.2 The table below indicates the number of breaches the Fund has recorded for the period 1 April 2023 to 31 June 2023:

9.3 A red breach was reported in May relating to a data breach of a third-party provider. This occurred due to a malware attack on software used by the company. A very small number of members (3) were affected, and they were contacted by letter to inform them of this. This was reported to the Pensions Regulator due to the nature of the attack and we await their response to confirm they are happy with the actions taken by the Fund.

9.4 The Fund is no longer using the third-party provider due to the switch to e-payslips, so there is no on-going risk of this reoccurring with this supplier.

9.5 The amber breaches relate to a multi academy trust, which changed its payroll provider in April, and this has led to a delay in providing information to the Fund. The trust is working with the new payroll provider to deliver a working extract so that data can be sent across, but this is taking longer than we would like. The Trust has been informed that if information is not received soon, it will be reported to the Pensions Regulator.

10. Internal Dispute Resolution Procedure (IDRP)

10.1 The Fund has 1 outstanding IDRP case, currently at stage 1.

11. Pensions Dashboards

11.1 On 8 June, the Department for Work and Pensions (DWP) issued a written ministerial statement providing an update on the connection deadline for pensions dashboards. The statement explains that the Pensions Dashboard Programme will be unable to meet the connection deadlines set out in the legislation, and the timeline will need to be revised. The new connection deadline is October 2026.

11.2 The PAS will continue to look at the work needed to be ready for dashboards, focusing on data quality, our software provider have provided a data readiness report that shows the quality of our data and areas that require improvement.

11.3 As part of the dashboard workplan, we will need to consider how to tackle, issues such as ‘gone aways’ where members have moved and not kept us informed of their change of address, and mortality screening, so that we can reduce the risk of overpayment of pensions and help to track next of kin for members who have not kept in touch. We will also need to consider how we resource the additional queries we will receive once the dashboard goes live.

11.4 The introduction of Member Self Service (MSS) has given us an indication as to how many additional queries can be created when members are given access to an online service. Not only do we receive queries regarding a member’s pension benefits, we are also having to assist with login queries. The dashboard will create queries for pension providers for members who have a partial match to data we hold. Therefore, these will have to be investigated to see if the person is a member of the fund. A set timeframe will be given for pension providers to respond to these.

11.5 In October of this year, we will also be able to access the LGPS Framework in order to procure the Integrated Service Provider (ISP) The ISP is a service that sits between the PDP Central Digital Architecture and multiple Pension providers. The service accepts Find and View requests from the Central Digital Architecture and returns matching pensions and subsequently, their values and administrative data to scheme members.

12. Annual Benefit Statements (ABS)

12.1 The PAS have been working through the summer to produce ABSs for all Active and Deferred members.

12.2 A total of 21,187 (100%) statements were produced and published online for deferred members. These were made available to members by 31 July, within the statutory deadline. 29 ABSs were sent out in paper format as requested by the member.

12.3 A total of 16,855 (97%) statements were produced without error for active members. The majority have been published online with only 145 sent out in paper at the request of the member.

12.4 The remaining 534 statements, which were not produced due to an error on the member's record, have been investigated. The majority of these are casual or variable time members where CARE pay is missing for 31 March 2023, checks will be done to see if these members are actually due a statement, as they may not have worked in 2022/23.

13. McCloud Project

13.1 The McCloud project continues, with work progressing on the creation of an Indicator on records for members who are in scope.

13.2 The regulations are set to be laid on 1 October 2023 and the Local Government Association (LGA) are working on template communications that can be used by funds to inform affected members.

13.3 The fund will look to use these communications and will post information on its website to share this with members. An FAQ document will also be produced which will cover more complex issues that arise for members.

13.4 Even though there are a large number of members in scope it is not anticipated that many will see an increase in their benefits for the remedy period.

Appendices
Appendix 1 – Key Performance chart

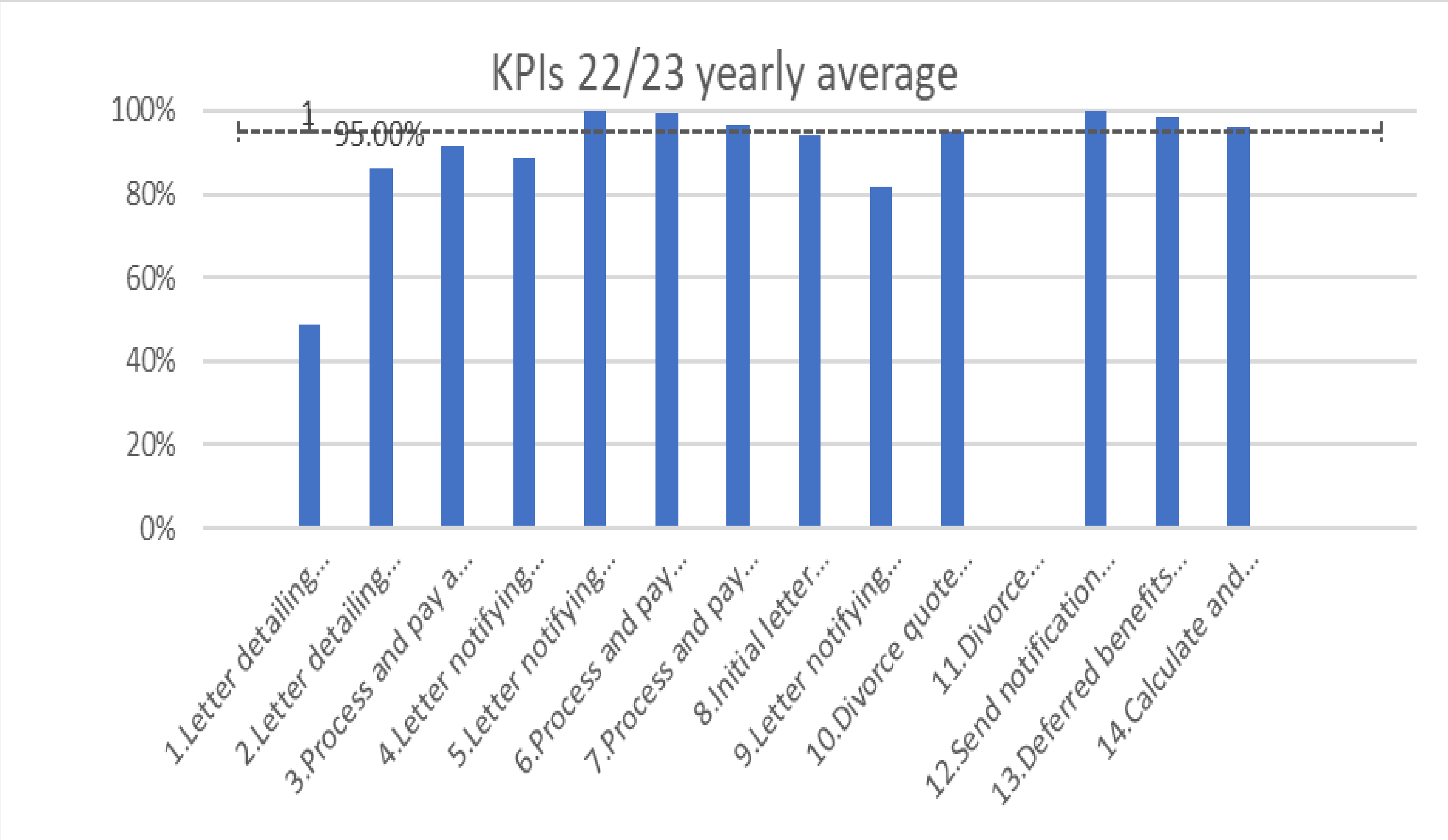
Background Papers
None

	Name	Contact Information
Report Author	Lisa Eglesfield, Victoria Jenks, Ian Morris, Alistair Wickens	lisaeglesfield@warwickshire.gov.uk, vickyjenks@warwickshire.gov.uk, ianmorris@warwickshire.gov.uk, alistairwickens@warwickshire.gov.uk
Director	Andrew Felton, Director of Finance	andrewfelton@warwickshire.gov.uk
Executive Director	Rob Powell, Executive Director for Resources	robpowell@warwickshire.gov.uk
Portfolio Holder	Councillor Peter Butlin, Portfolio Holder for Finance and Property	peterbutlin@warwickshire.gov.uk

The report was circulated to the following members prior to publication:

Local Member(s): Not applicable
Other members: Cllrs Peter Butlin, Yousef Dahmash and Bill Gifford,

Appendix 1: A table that shows the 14 KPIs and the level of achievement marked against a target of 95%



Agenda Item 7

Staff and Pensions Committee

11 September 2023

Employers Joining and Leaving Warwickshire Pension Fund

Recommendation

That the Committee delegates authority to the Executive Director for Resources to approve applications to the Pension Fund from the employers listed in Appendix 1, subject to the applications meeting the criteria set out in the Local Government Pension Scheme Regulations 2013, and to facilitate those employers listed in Appendix 1 to exit the Pension Fund.

1. Executive Summary

New Entrants

1.1 The Pension Fund must accept applications from scheduled bodies where the requirements of the regulations are met.

1.2 An academy is automatically a Scheme Employer on the basis that it meets the criteria of paragraph 20 of Part 1 of Schedule 2 of the Local Government Pension Scheme Regulations 2013 i.e., it is a ‘scheduled body’.

1.3 When submitting an application for membership each academy will be required to confirm:

- That it has internal authority to be admitted to the Pension Fund.
- The number of members to join the Pension Fund.
- That the academy will comply with the relevant LGPS Regulations.

1.4 The Pension Fund must accept an application from an applicant body made under paragraph 1(d) of Part 3 of Schedule 2 of the Local Government Pension Scheme Regulations 2013 where that body has undertaken to comply with the Regulations.

1.5 The Arthur Terry Learning Partnership is the letting authority for the contract with EasyClean Contract Cleaners.

1.6 The Holy Spirit MAT is the letting authority for CleanTEC Services LTD.

1.7 EasyClean Contract Cleaners and CleanTEC Services LTD have made an application on the basis that they meet the criteria of paragraph 1(d) of Part 3 of Schedule 2 of the Local Government Pension Scheme Regulations 2013 i.e., it is a ‘transferee body’.

1.8 The Applicant Bodies have a contract with another Scheme Employer within the Pension Fund and have applied for admission into the Fund in respect of this contract.

1.9 The Applicant Bodies will be carrying out a function or service on behalf of the Scheme Employer under a contract.

1.10 The Applicant Bodies have confirmed that the Scheme Employer will be party to the admission agreement.

1.11 The Applicant Bodies have undertaken to comply with the relevant LGPS Regulations.

Cessations

1.12 When an employer leaves the Pension Fund, the Actuary makes an assessment to see if an exit debit or credit is due. This information is then shared with the Employer and arrangements are made to collect any debit. If a credit is calculated, it is at the Fund’s discretion whether this should be paid to the Employer.

1.13 Orbit’s last active member has now left the scheme as at 30 June 2023 and the Fund is making arrangement to facilitate Orbit’s exit from the Fund.

2. Financial Implications

2.1 New entrants to the scheme will be required to cover their own costs and the actuarial process will ensure that employer contributions are appropriate to ensure this is the case.

2.2 The Pension Fund has the discretion to pay out exit credits on cessation of membership of the Fund. A separate report provides information to the committee on the cessation for Heart of England Housing and Care association (Orbit).

3. Environmental Implications

3.1 None.

4. Supporting Information

4.1 Warwickshire Pension Fund, Admissions and Terminations Policy 2023

5. Timescales associated with the decision and next steps

5.1 At the moment the dates for the academies listed are provisional, next steps will be decided once the admission date is confirmed.

5.2 The Pension Fund must accept an application from an applicant body made under paragraph 1(d) of Part 3 of Schedule 2 of the Local Government Pension Scheme Regulations 2013 where that body has undertaken to comply with the Regulations.

5.3 Provided that the Committee is satisfied that the requirements of the regulations are met, the application should be granted.

5.4 In the event that the application is accepted, arrangements will be made for the Applicant Body to enter into an admission agreement with the Pension Fund. Should admission commence prior to any admission agreement being completed, the Applicant Body has agreed to be bound by the terms of the standard form admission agreement appended to the Pension Fund's Admissions and Termination Policy.

Appendix
Appendix 1 – Name Employers Proposed to Join and Leave the Fund

Background Papers
None

	Name	Contact Information
Report Authors Pensions Administration Deliver Lead Employer Relations Team Leader	 Victoria Jenks Alistair Wickens	 vickyjenks@warwickshire.gov.uk, alistairwickens@warwickshire.gov.uk
Director	Andrew Felton, Director of Finance	andrewfelton@warwickshire.gov.uk
Executive Director	Rob Powell, Executive Director for Resources	robpowell@warwickshire.gov.uk
Portfolio Holder	Councillor Peter Butlin, Deputy Leader and Portfolio Holder for Finance and Property	peterbutlin@warwickshire.gov.uk

The report was circulated to the following members prior to publication:

Councillor Yousef Dahmash and Councillor Bill Gifford

Appendix 1

Name Employers Proposed to Join & Leave the Fund

New Employers, including Academies:

- EasyClean Contract Cleaners (Arthur Terry Learning Partnership), 3 October 2022
- CleanTEC Services LTD (Holy Spirit MAT), 1 September 2022
- The Griffin Primary School (New Academy), 1 September 2023
- Dunchurch Infant Foundation School joining Coventry Diocese MAT, 1 September 2023
- Provost Williams Primary School joining Coventry Diocese MAT, 1 September 2023
- Dunchurch Boughton CofE Junior School joining Coventry Diocese MAT on 1 September 2023
- Telford Junior School joining Elm Tree MAT on 1 September 2023

Existing employers exiting the Fund:

- Orbit – Heart of England Housing and Care Ltd

Staff and Pensions Committee

11 September 2023

Review of the Minutes of the Warwickshire Local Fire Pension Board Meeting of 15 February 2023

Recommendation

That the Staff and Pensions Committee receive, consider, and comment on the minutes of the meeting of the Warwickshire Fire Local Pension Board held on 15 February 2023.

1. Executive Summary

1.1 The minutes of the meeting of the Local Fire Pension Board held on 15 February 2023 are attached as an appendix.

2. Financial Implications

2.1 None

3. Environmental Implications

3.1 None

4. Supporting Information

4.1 None

5. Timescales associated with the decision and next steps

5.1 None

Appendix

- Minutes of the meeting of the Local Fire Pension Board held on 15 February 2023

	Name	**Contact Information**
Report Author	John Cole, Senior Democratic Services Officer	johncole@warwickshire.gov.uk Tel: 01926 736118
Director	Andrew Felton, Director of Finance	andrewfelton@warwickshire.gov.uk
Executive Director	Rob Powell, Executive Director for Resources	robpowell@warwickshire.gov.uk
Portfolio Holder	Councillor Peter Butlin, Deputy Leader and Portfolio Holder for Finance and Property	peterbutlin@warwickshire.gov.uk

The report was circulated to the following members prior to publication:

Local Member(s): n/a
Other members: none

Warwickshire Fire and Rescue Local Pension Board of the Firefighters' Pension Scheme

Wednesday 15 February 2023

Minutes

Attendance

Committee Members
Martin Reohorn (Chair)
Barnaby Briggs
Caroline Jones
Paul Morley
Tony Morgan
Councillor Brian Hammersley

Officers
Liz Firmstone, Service Manager (Transformation)
Victoria Jenks, Pensions Admin Delivery Lead
Jan Cumming, Senior Solicitor and Team Leader
Lisa Eglesfield, Team Lead Benefits
Andy Carswell, Democratic Services Officer
Martin Griffiths, Technical Specialist Pensions Fund Policy and Governance

Others Present

Helen Scargill, West Yorkshire Pension Fund
Matthew Mott, West Yorkshire Pension Fund

1. General

(1) Apologies

No apologies were received.

(2) Board Members' Disclosures of Interest

Barnaby Briggs declared an interest as an immediate detriment case.

(3) Public Minutes of the Previous Meeting

The minutes of the meeting held on 7 November 2022 were approved as an accurate record.

2. Risk Monitoring

An update was provided by Vicky Jenks (Pensions Admin Delivery Lead), who advised there had been two amendments made to the risk register. The first was a pensions dashboard readiness indicator, which had been suggested by officers from the West Yorkshire Pension Fund as a way of ensuring officers were aware of their responsibilities regarding data and that it was of a sufficiently high standard that would allow pension holders to access it via the dashboard. The policy schedule had also been updated so relevant officers were aware of when the policies they were responsible for needed to be reviewed or updated. Work was taking place to identify which officers would be best placed to look at the reviews and ensuring they were on their work programmes.

Vicky Jenks told members that the Pension Fund had received some claims relating to the second modified Matthews exercise and these were in the process of being dealt with. However consideration was being given to the potential for legal challenges arising from this, and whether this needed to be included on the risk register in its own right, or by being incorporated into another entry onto the register.

Paul Morley advised the claim was a collective one and reminded members a pay dispute was ongoing. There was the potential for further disputes in the future, which could have an effect on staff morale and wellbeing. It was agreed to revise the wording on item 3 on the risk register and elaborate on how the legal challenges could arise, and how the cumulative build-up of issues could negatively affect the administration of the pensions service.

Responding to a point raised by Barnaby Briggs, Vicky Jenks said a pandemic ought to remain on the risk register but accepted that the register did not necessarily need to specifically refer to Covid. A pandemic could refer to, for example, an influenza outbreak. Members noted that the Firefighter Pensions schemes did not have a pension strain chargeable or any assets, but accepted a point raised by Jan Cumming that the effects of Covid could have a potential impact on the Fund due to the possibility of an increased number of pension holders taking early retirement on ill health grounds. Additionally it could lead to an unavailability of staff within the Council or administrator.

Responding to a question from Councillor Brian Hammersley regarding working from home, Vicky Jenks said workers had to undergo a DSE assessment and ensure they had the correct working setup, which would then be signed off by their line manager. However there was no requirement for a full risk assessment of employees’ homes to be carried out.

Members noted the amendments that had been made to the risk register.

3. Governance and Policy Update

Vicky Jenks told members that the Board’s terms of reference and the conflict of interest policy had both been updated with some minor amendments and included in the report pack for information. The abatement policy had also been updated and this had been formally ratified by the Staff and Pensions Committee. This had been a requirement as a Pensions Ombudsman decision had outlined that a blanket abatement policy could no longer be applied. Additionally, cases of ill health retirement from 2015 onwards had needed to be reassessed to ensure they had been processed under the correct schemes, and the right options had been given to members who did not qualify for an ill health benefit. New legislation would take effect from 1 October 2023 in order to address age discrimination. Work was taking place with the HR advisory team to identify these individuals and check they were assessed correctly and given the right options on retirement. If they were not then a review would be needed.

Vicky Jenks advised members that since the report had been prepared the Autumn Statement had come out, which had announced a pensions increase of 10.1 per cent and a knock-on effect to annual allowances. A consultation had been released on 10 February 2023 regarding the alignment of application of pensions increases taking effect for the new tax year for the Local Government Pension Scheme, which would have a lesser impact on annual allowances for next year. However this did not relate to firefighter pension schemes. Vicky Jenks said this may be significant because firefighters were impacted by changes to annual allowances, along with possible arrears to be paid out through the pay award.

Helen Scargill said she had had verbal confirmation from Home Office that the care revaluation dates would not be moved from 1 April to 6 April for the fire scheme. No reason had been given for this beyond there being a feeling it was not felt necessary to do, although there was a belief it could be influenced by the outcome of the Matthews decision and the increased workload on pensions administrators for the late notice of the pay award scheme. Helen Scargill said the proportion of care payments would increase, but this and the pay award would have a negligible impact on annual allowance growth. Uncertainty over the date of the pay award agreement being agreed could impact on annual allowance payments. Helen Scargill said if the pay award was not implemented before 5 April then the 2022/23 annual allowance would not be recalculated. There would be higher care pension payments in 2023/24 as a result. However the CPI opening value and the AA calculation were likely to offset each other. Helen Scargill stated her belief there would be no significant shift in either direction. The Chair said it was important to have this situation explained to pension members.

Responding to a question from Paul Morley, Vicky Jenks said temporary promotions were not pensionable in the care scheme so would not have an impact on a member's annual tax allowance. Paul Morley said some scheme members nearing retirement were considering future career options based on their potential annual allowance tax charges.

Members were told a consultation had been taking place regarding changes HMRC had been planning to implement in relation to corrections in benefit payments for age discrimination. It was intended that pension members should not expect to get any additional charges to payments they were due to receive. Vicky Jenks advised that some other changes in regulations relating to waiving liabilities and correction of benefits were also taking effect.

Members noted the updates in the report.

4. Forward Plan

Members noted the items on the Forward Plan. Member training was included as being relevant following the appointment of Councillor Hammersley to the Board. Helen Scargill said LGA training sessions included updates relating to Matthews and this could be of interest to members requiring training.

5. Administration update for Firefighter Pension schemes

Vicky Jenks advised members they were looking at the update for December, as the January report had only just been received from the West Yorkshire Pension Fund. There had been some issues with getting payroll information onto the West Yorkshire portal, although this was due to a login issue rather than anything more significant. A new member of staff had taken on the role of sorting the information to be uploaded to the portal and ensure they were up to date. A payroll training event was taking place the following week involving the Warwickshire and West Yorkshire Pension Funds, and also Leicestershire and Hereford and Worcester Fire Authorities as these were also administered by Warwickshire payroll and there was a desire to ensure consistency in data sharing processes.

Vicky Jenks said there was an awareness there were some discrepancies in pension payments being either over or under what they should be, and work to correct this was taking place. She said around 220 pensioner payments were being checked, although this did not mean that all of them were incorrect. Members were told this would need to be logged as technically it counted as a breach. An overpayments policy was being worked on to set out how to deal with correcting payments that had been made incorrectly, such as identifying what had gone wrong and how an overpayment should be handled.

Helen Scargill said the KPI relating to death, retirement and dependent pensions setup wasn't quite meeting the 100 per cent KPI target. She said this probably related to one case missing the KPI and was not something to be overly concerned with. The average setup time was seven days.

Responding to a question from the Chair, Helen Scargill said the miscellaneous works captured in the graph in the report referred to telephone calls and emails that had been received but further action had not yet taken place.

Members were told the number of website hits was now being recorded, and there had been a significant increase in the number of people looking at the annual benefit statement production section. Helen Scargill said thought would be given to targeted communication on some points of information if the number of web hits stagnated, to ensure awareness of the issues remained high. A communication on the remedial service statement had been planned as this was felt to be a particularly important issue. Helen Scargill said member online registration with the Warwickshire Fire and Rescue Service numbers were similar to other clients of the West Yorkshire Fund. She drew members' attention to other key pieces of data in the report and said there were no significant issues that required attention. She said she would clarify a point the Chair raised about 15 modified scheme members in the RDS and provide an update.

The Chair said it would be worth noting for the Board's knowledge if there was any conditional data that was missing but had no significance to the payments being made. Additionally the Chair said it would be useful if the resolutions to any issues, which again did not affect payments, were recorded.

Helen Scargill said there were a number of pensioners on the system whose records were incomplete or had incorrect periods of service recorded. The biggest issue came from 2006 where a high number of pensioners did not have their home address details recorded.

Records had been created for pensioners who had taken up the first options exercise, so the system now knew if a pension holder had paid for a service via a lump sum or continued to pay by instalment. The Chair said he was happy for a verbal update on this to be given at the next meeting.

Vicky Jenks said the January report would be sent to stakeholders and a request for feedback would be made. Any issues would be raised directly with Helen Scargill and Matt Mott.

Members noted the contents of the report.

6. Any Other Business

Barnaby Briggs stated there was likely to be an acceptance of the pay award, meaning it was unlikely there would be any industrial action. He said it would be helpful if information on how this would affect pension payments could be communicated as soon as possible.

Barnaby Briggs said he would be retiring from 31 March. It was hoped a replacement for him on the Board would be announced as soon as possible, although members were advised there was a legal process that needed to be followed before an appointment could be made. Members thanked him for his service with the Board and WFRS and wished him well in his retirement.

7. Future Meeting Dates

Members noted the future meeting dates.

The meeting rose at xxx

…………………………
Chair

Agenda Item 10

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of the Local Government Act 1972.

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of the Local Government Act 1972.

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